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ABSTRACT

Papers concerning the need for labor market concepts and information at a variety of levels are presented in this conference report, along with discussions of major issues. Major areas emphasized in this document are (1) data needs for manpower planning and policy-making by public officials for rural areas, (2) employer needs for labor market information in order to locate and operate in rural areas, (3) labor market information needs of current and potential job seekers in rural areas, and (4) the role of U.S. government agencies. The Census Bureau, the U.S. Department of Labor, and the U.S. Department of Agriculture are described as suppliers of information on rural labor markets. A conference program and a list of participants are included. (PS)

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Labor Market Information In Rural Areas

Proceedings of a Conference

February 22-23, 1972

Sponsored by:
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Manpower and
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East Lansing, Michigan 48823

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Collette Moser, Ph.D.

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FOREWORD

The value of labor market information is often overlooked. To the planner of government programs for training, education, relocation, public employment, data such as employment, unemployment, underemployment, present and future demand for various occupations in a particular geographic area are necessary inputs in the decision-making process.

The employer who must decide on a new plant location needs to know what kinds of skills are located in an area, from what distance or from what unused sources the labor supply can be drawn, and the going wage rates.

On the other hand, the job seeker may be less concerned with aggregative data for a geographic area, but may need more specific and immediate information concerning job vacancies, the availability of job training in particular occupations, and whether or not it would pay to move to a new location.

Rural areas need accurate information for the efficient operation of their labor markets and the attraction of industry. Yet all too often, these areas are bypassed or overlooked in the computation of labor market data. Because they are not prime labor market areas or because dispersed populations make survey data collection costly, some of the standard data are not computed for rural areas. In other cases, little is even known about the availability of rural data.

For purposes of exploring the kinds of labor market information needed in rural areas as well as existing data, a conference which included both the demanders and the suppliers of this information was conducted through the Center for Rural Manpower and Public Affairs at Michigan State University. The conference was sponsored with the cooperation of the Rural Manpower Service of the U.S. Department of Labor.

A number of people have helped in the preparation of the conference program and proceedings. In particular, Dr. Dale Hathaway of M.S.U. and Drs. Daniel Sturt and John McCauley of the Rural Manpower Service of the U.S. Department of Labor made a number of suggestions for program participants. Addiann Hinds edited a number of the papers and discussions. Michael Dennis helped with tape recording and transcribing the proceedings.

Jeanette Barbour worked extensively on conference preparation and the typing of the proceedings, and was assisted with the typing by Karen Murphy.

A final note of appreciation goes to both the conference participants and the audience members. The knowledge and enthusiasm of those who attended the conference are evidenced by the lively discussions following each session.

In the transcription and editing of the discussions, some statements made by audience members may have been misinterpreted. It is suggested, therefore, that anyone wishing to use the information contained in the discussions contact the individual involved to verify the accuracy of the interpretation. Addresses of those attending the conference are included at the end of the proceedings.

Collette Moser
Michigan State University
May 1972

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PART I

DEMANDERS OF INFORMATION ON RURAL LABOR MARKETS

SESSION I

DATA NEEDS FOR MANPOWER PLANNING AND POLICY-MAKING BY PUBLIC OFFICIALS FOR RURAL AREAS

SOME SPECIAL CHARACTERISTICS OF RURAL AREAS

Dale E. Hathaway
Michigan State University

The very use of the word "rural" in the title of this Conference on Information Needs for Rural Labor Markets implies that rural areas are different. I believe this is the case, and will discuss some of the parameters of this difference.

I've been puzzling over this issue for many years, more recently in relation to the provision of labor market services to rural people. However, by trying to define "rural" we may be asking the less important question on this issue, and I would like to suggest what I believe the important problems are.

Program administrators, especially those in agencies with the adjective "rural" in their titles, are struggling to find an operating definition for "rural" every day. Excessive concern with defining and delineating the geography of the nation may divert our attention from more important measurement problems and hamper the building of problem-specific delivery systems to serve people who are not now well served by our purposes.

Sociologists and economists have developed numerous definitions for the term "rural", including occupation mix, proportion of population residing in places we define as "urban", population density, and distance from major metropolitan areas. However, there are probably more people per square mile in some areas of the Mississippi Delta than in some of the wealthy Los Angeles suburbs; a higher proportion of rural residents in the South who work in nonfarm industries than in the Midwest; and living 100 miles from New Orleans is not the same as living 100 miles from Denver.

Non-metropolitan labor markets have certain characteristics which make them different. These characteristics are found in many but not all of the places that would be defined as rural. I would like to discuss these characteristics and their implications. They are: socio-political characteristics, economic characteristics, and the characteristics of human resources.

Socio-political characteristics: Several inter-related socio-political characteristics are more prominent in rural than urban areas. One of these is the strong dependence upon kinship and a reliance upon family and friendship ties rather than formal social organizations. Almost every study of rural-urban migration and of information sources used by rural job-seekers shows a heavy dependence upon these ties for information and help.

Closely related is the fact that rural people lack extensive experience with impersonal bureaucratic social service organizations. Existing rural organizations tend to run heavily to tax collection, law enforcement and crop regulation agencies. Social service agencies are sparse, often poorly staffed, and viewed as being set up to deal with "inferior" people.

Moreover, with all due respect to the virtues of local government, political systems in most rural areas have, in general, been most responsive to a small and relatively elite segment of the population. In many areas, Blacks, Indians and Mexican-Americans have been systematically excluded from the local governmental processes—and often these governments have been used as weapons to keep minorities (including poor whites) from threatening the community power structures. All of this is to say that at the local level, rural people, and especially the economically disadvantaged, have not benefitted from an array of public services nor have they been helped to any great extent by local officials. Even the labor unions have not made a major impact in most non-metropolitan areas. Most of the non-union employers in the U.S. probably are found in rural communities. The products of an inadequate economic base and a lack of political power have been inadequate schools, inadequate social services, and inadequate manpower services.

Another frequent characteristic of rural areas is the appalling lack of importance that people in general and farm leaders in particular place on human resource development. The countryside abounds with well-organized breed associations to improve cattle, pigs, and horticultural crops. Carefully structured groups nurture our soil and other natural resources--but you would be hard put to find a dozen viable rural manpower planning organizations in rural America, and those that are available are often the results of a single energetic public official. This lack, again, results in obsolete vocational training programs, inadequate and underfinanced schools, and no real political pressure for a reasonable share of the nation's manpower funds. It is sad to report, but I suspect that today the abolition of our new extension manpower program would cause much less resentment in the Michigan countryside than did abolition of the livestock competition at the State 4-H Club show, even though I strongly believe our manpower efforts have great promise to benefit rural youth.

The politically potent national farm organizations have been negative rather than positive regarding rural social services. They are obsessed with the commodity problems of commercial food and fiber producers, and expend their time and political capital on the issues related to commercial agriculture. Even the most "liberal" of these organizations has resisted the extension of social services to the rural disadvantaged, and all farm organizations view new rural service groups with fearful alarm.

Economic Characteristics: The greatest contrasts between rural and urban labor markets can be found in the economic characteristics. One of these differences is in the supply-demand balance in the labor markets. Over the long term, apart from cyclical recessions or depressions, urban labor markets have been in disequilibrium with demand expanding sufficiently to absorb the available labor supply at rising wage rates. A massive rural-urban migration of persons of labor force age has been absorbed by the urban labor markets during the post-World War II period.

A substantial disequilibrium has existed in rural labor markets as well, but in the other direction. High rural birth rates, declining employment opportunities in agriculture, natural resources and associated industries (or their relocation) have resulted in substantial underemployment and generally lower wage rates. Moreover, as I have pointed out, massive outmigration has not appreciably reduced this disequilibrium.[1]

There are indications, however, that this is a widespread but not universal phenomenon in rural America. John Nixon's study shows that there are substantially different degrees of disequilibrium in rural labor markets.[2] Surprisingly, the adjustments often appear better in some of our most remote areas, although there is a strong relationship between proximity to a major metropolitan area and rural labor market equilibrium. In any case, I believe we can and should do a much better job of measuring this disequilibrium so labor market services can be pinpointed to the areas of greatest need.

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[1] *Hathaway, D. E., and Perkins, B., "The Movement of Labor Between Farm and Non-Farm Jobs", Research Bulletin No. 13. Agricultural Experiment Station, Michigan State University, March, 1966.*

[2] *Nixon, John W., "An Analysis of Apparent Maladjustments in Local Labor Markets of the United States", Thesis for Ph. D. degree, Michigan State University, 1969.*

In addition, rural labor markets function differently than urban labor markets. Part of this is because of the spatial differences I've mentioned, but there are other reasons. Rural labor markets are "thinner" in that they lack the demand for a wide variety of specializations found in large labor markets where population scale alone creates demand for an infinite variety of special goods and services. Demand for southern fried chicken seems to run strong in the urban north, but I wonder what it is for kosher food in the rural south or midwest?

This "thinness" in rural labor markets means that rural people—who do come in all shapes, sizes, colors, temperaments, and abilities—face local labor markets that demand a limited range of skills and abilities. Rural people tend to find themselves in jobs that require more than they have to offer (thus, they are inefficient or mediocre performers), or they find jobs that require less than they can contribute (and they are bored, frustrated and underpaid).

Another characteristic of rural labor markets, which gets directly to the topic of our conference, is the paucity of information available to market participants. As we will undoubtedly hear later, huge informational gaps extend to all aspects of rural labor markets. Moreover, the available information is not coordinated nor, therefore, useful to either buyer or seller. It is ironic that our government, a pioneer in the development of the world's most accurate statistics on livestock and crop numbers, disposition and price, should lag so far behind in the statistics relating to human effort in our rural areas.

Finally, the information flows—a vital part of our labor markets—are sadly inadequate in rural areas. Jobs are not advertised or "listed" in rural communities, because there usually is no effective local communication system. If nothing else, the Ottumwa experiment should make this clear. In most rural areas, the media originate in and function for some distant (or nearby) urban complex, and are largely useless for purveying local rural labor market information.

Human resources in rural areas: A final category of differences between rural and urban areas lies in the human resources found there. I will not bore you by repeating the well-known statistical comparisons, but I will summarize their meaning. The rural population has a lower proportion of persons in the labor force age. These people have had less formal education and the quality of their education has often been low. They have the worst housing, least medical care, and greatest incidence of malnutrition in our society. When these conditions are coupled with high birth rates, larger family size, and relatively few occupational skills, it is not surprising to find the highest incidence of poverty occurring in rural areas. In general, even if rural labor markets worked perfectly and our economy was in equilibrium, rural people would have lower incomes because the human resources they have to offer in any labor market are limited. Over time, the quality of human resources available in rural areas is reduced by the continued outmigration of some of the best young people from rural areas and the back movement of those who failed to make it in urban labor markets.

Conclusions: Too often, rural labor markets are characterized as being like all other areas except that the people live farther apart. My purpose in these opening comments has been to establish that spatial distribution is only a small part of the difference. If that were the problem, it could be handled by merely adjusting collection and delivery systems. (After all, they do deliver the mail and plow the roads in rural areas, sometimes more efficiently than in our largest cities.)

We must recognize and consider the differences in socio-political structures, economic conditions, and population characteristics. These differences call for new labor market information channels and effective manpower services. And, of course, the nature of those needs is the subject matter of this conference.

I have avoided trying to define the term "rural", an omission that may be frustrating to many. However, I would suggest that measurements of the magnitude and location of some of the characteristics I have mentioned in non-metropolitan areas is a prime problem. Measurements of "ruralness" based upon traditional sociological and economic definitions seem useless unless they can be focused upon the needs of policy-makers, employers and, above all, the people involved.

THE NEED FOR RURAL LABOR MARKET INFORMATION AT THE NATIONAL LEVEL

Daniel W. Sturt
U.S. Department of Labor

After many years at M.S.U. my appearance here this morning is very much in the nature of returning home to participate in a familiar experience. And it is familiar, for we are meeting to discuss once again the problems of rural areas.

Yet, I must also note that my role at this meeting differs from the one I played in the past and that my view, accordingly, is different. Until the summer of 1970, I was advising and making recommendations to the decision-makers and program managers. For the past 18 months, I have been operating on the other side of the fence as Director of the Rural Manpower Service (R.M.S.). While I feel that progress has been made--we have, perhaps, doubled our program output in the past year and a half, and rural areas are certainly being better served--still the results have not been what I had hoped for.

There are, of course, many reasons for this, the paramount reason being, I believe, the data problem. Indeed, I find myself constantly engaged in what I call the data game. For example, it has become increasingly clear to me that the R.M.S. needs better labor market information in order to carry out its mission. We must have this information if we are to serve in our roles as advocates for rural residents in obtaining equity of access to service; if we are to be the spokesmen for the rural worker when decisions are made at the federal level; and if we are to effectively support the efforts of smaller governmental units to obtain their fair share of resources.

We, in this country, have no official policies relating to population growth or dispersion. Despite the heavy pressure for limiting family size and restricting the growth of metropolitan areas, we rightly do not interfere with the right of the individual to make his (or her) own decision in these matters. Admittedly, population changes concern those who work with urban problems as much, if not more, than those of us who work in rural areas. However, our urban friends have access to some fairly solid data to aid in their planning. We who work in rural America are already handicapped by the lack of good labor market information. Uncertainty about the rate of population growth and the relocation plans of rural residents complicates matters.

The need for better labor market information exists on all levels--national, state, regional, and local; public and private. I see from the agenda that other speakers will address themselves to these needs and problems. I would like to approach the situation from the point of view of a person charged with the responsibility for developing and implementing programs, and serving as an advocate for the rural resident at the national level of the U.S. government. As I see it, the need for data at my level pertains to three aspects of the national office mission: (1) securing equity of access to manpower services for rural workers, (2) conducting on-going programs, and (3) planning strategies to upgrade both the quality and quantity of manpower services available to rural people.

Before going into the specific kinds of data needed for these purposes, I should like to discuss what is meant by the term "rural." As you know, the Census defines the rural population as those persons who do not live in an urbanized area nor a population center of 2,500 or more outside of an urbanized area. For our purposes, this definition is not altogether satisfactory. The Labor Department currently defines rural to mean all people--rural and urban--who live in predominantly rural counties, counties in which the majority of the population is rural. We believe that this gives us most of the people who live in isolated locations not easily accessible to local offices.

Many other concepts have been proposed. It has been suggested, for example, that counties with less than 10,000 population should be considered rural, even though they might, on the basis of other criteria, be classified as urban. It has also been suggested that metropolitan areas with a population density of less than 100 persons per square mile be classified as rural. This would give us in the Rural Manpower Service responsibility for both Denver and Houston--most interesting thought--but I think I've made my point. We do need some agreement about what constitutes a rural area so we can start tailoring the statistics to the concept, instead of designing the concept to meet the available data.

Equity of Access

Many of you here know that I feel that we, in the Rural Manpower Service, should serve as rural statesmen, working for equity of access to manpower services for the rural resident. This means that we must try to make sure that the rural worker receives the same quantity and quality of manpower services as the urban worker. To do this, we must present documented materials to appropriate units in Congress and to federal administrators. Let me emphasize the need for reliable information. Whereas we can sometimes get along with rough estimates for other purposes, the statistics we use for documenting equity should be beyond reproach. In apportioning scarce resources, an administrator is naturally cautious about granting requests for additional resources. He should be completely fair to all concerned. It is his job to be skeptical of our claims.

In getting reliable data, we are at a disadvantage compared with the cities. Our rural communities do not have their "economists in residence" to provide professional expertise, nor is it common to find special surveys. I should like to present some of the special problems we have in documenting equity of access.

One of the most crucial figures for us is the rural share of the "universe of need" as estimated from the figures in the state E. S. Plans of Service. In these plans, the states give annual estimates of the universe—that is, potential candidates for manpower services, for the state as a whole and for selected metropolitan areas. In some states, estimates are made for the rural counties as a group. These estimates include the unemployed and underutilized. The latter includes those employed part-time for economic reasons, full-time workers living in poverty or near poverty, and those needing service but not counted in the labor force. Each category is estimated separately for the poor and nonpoor. Reports and Analysis Letter No. 683, issued by the Manpower Administration, give instructions for estimating these figures. It reads like a set of income tax instructions doubled in spades. Going through all 109 lines of the worksheet, I find that you have to estimate the most minute details. During the intercensal period, when most statistics are estimated from a sample, the idea that you could estimate these details by state, let alone portions of a state, and get any kind of statistical reliability is absolutely absurd. Usually, our state statisticians have had to fall back on the 1960 Census for much of this detail, particularly when they were preparing estimates for the rural counties. I am glad to hear that the Interstate Conference of Employment Security Agencies is asking the Manpower Administration to simplify this method.

Last summer the U.S.T.E.S. Office of Technical Support told us that the nationwide universe of need for fiscal 1972, computed by adding estimates from the Plan of Service of each state, was 27 million. This included 9 1/2 million poor persons and 17 1/2 million nonpoor. The rural share of both the poor and nonpoor was estimated to be around *one-fourth*.

It is difficult for us to question the data relative to the nonpoor because no nationwide estimates are available. But we do question the universe of need pertaining to the poor because we have comparable estimates based on nationwide statistics from the National Planning Association; Manpower Administration's Office of Policy, Evaluation, and Research; and the Bureau of the Census. Based on these data, it appears that the rural share of the poor universe is more than a fourth--in fact, about a third. Thus, the aggregated state figures used to document budget allocations can lead to the shortchanging of poor rural workers.

Another aspect of the equity problem is the allocation of a fair share of the manpower training slots to rural workers. This is complicated by the fact that specific programs are designed to help specific groups. For example, a fair allocation of slots in the Neighborhood Youth Corps would depend on the rural portion of eligible youths, and a fair share of WIN enrollees would depend on the proportion of welfare clients living in rural areas. Thus, the overall universe of candidates for manpower services is not enough—we need to know specific components.

On-Going Programs

Job Matching

When we think of data needed to carry out our on-going program, the first thing we consider is what we need to assist us in matching workers and jobs. Basic to this need is a general picture of the size and characteristics of labor supply and demand—for the country as a whole and for rural areas. We need the current picture and recent trends. When it comes to supply, we are grateful for such publications as CPS Series P-23, Number 37, which gives us the adult nonmetropolitan population by labor force status and the employed nonmetropolitan labor force by occupation for 1960 and 1970. The poverty figures are useful to us too. What we would like to have Census do to complete this picture is give us more detail about the distribution of the nonmetropolitan labor force by educational level for each age group. We have to face the rural-urban education gap among older workers and need to know the extent of this problem.

When we attempt to assess the composition and trends in nonfarm employment in nonmetropolitan areas by industry, the only figures we have to work with are those derived from estimates prepared under the B.L.S.-State E. S. agency cooperative program. For each industry, the metropolitan figures are subtracted from the nationwide total to arrive at the nonmetropolitan estimate. The figures prepared under this program provide reasonably good information, by industry, for metropolitan areas. But the nonmetropolitan components are so unreliable that we are constantly being warned by other research staff in the Manpower Administration against making use of the data. Unfortunately, however unreliable they may be, they are all we have. My staff is using and will continue to use these figures. I might say, incidentally, that we are in good company. The research departments of the Federal Reserve banks and the U.S.D.A.'s Economic Research Service also use these figures—deriving the nonmetropolitan estimates in the same fashion. Witness, for example, the table that appears on page 53 of the Senate report, "The Economic and Social Condition of Rural America in the 1970s," which was prepared by E.R.S.

I can only hope that steps will be taken soon to improve the reliability of the nonmetropolitan figures. I also hope that the improvement here, and in other data series as well, will take the form of independently determined data which can be used with confidence. The rural sector of the national economy is important enough, in my mind at least, to justify the additional expenditure of effort and money required to provide us with hard data.

So far we have talked about current levels and past trends. Now I want to talk about future trends, because we have to plan ahead and make sure our rural youths are prepared for the kinds of job vacancies that will arise. Nationwide projections that include both urban and rural employment are useful to us, since rural-to-urban migration is the traditional means of balancing rural labor supply and demand. The R.L.S. projections in the Manpower Report of the President are of value to us for this purpose. I hope the B.L.S. is planning to update its table published in an earlier report estimating future vacancies, by occupation, not only those arising from expansion but those resulting from deaths and retirements. We have used that table many times when talking to rural educators.

But projections referring to the whole population are not enough. We need similar data for the rural areas. In the case of the rural labor force, we would like to know what we can expect assuming continued migration and also what the size of the rural labor force would be 5 or 10 years from now if there were no further out-migration. For example, this would help us estimate a hypothetical figure to show how many rural jobs would have to be created to reduce net out-migration to zero.

Farm Placement

A special aspect of our job-matching operations is the placement of hired farm workers, especially seasonal workers, on farm jobs. We do have our own data collection system to help us with placing seasonal workers. Each month, every state sends in an In-Season Farm Labor Report showing seasonal farm employment, by crop and type of worker, for the agricultural reporting areas where 500 or more seasonal workers are employed at the time. We are not happy with these figures, particularly since more and more policy-makers have come to rely on them for decision-making. We would welcome more data for improving their reliability. We also need projections of employment in such crops as tobacco and cotton similar to those that Velmar Davis of U.S.D.A. did for fruits and vegetables.

Restructuring the E. S.

Another important part of our program is the restructuring of local office operations in such a way as to provide, efficiently, for the delivery of a broader spectrum of manpower services to workers who live in remote sections. One of the needs, in this connection, is data to help us redelineate local office jurisdictions to conform to rational labor market areas. People in the field tell us that current local office areas are not always logical and that poor jurisdictional lines sometimes obstruct the placement of rural workers on jobs within commuting distance of their homes.

I want to call your attention to one of our pioneer efforts at restructuring--the Ottumwa project. Placements were substantially increased in this Iowa area because the redelineated jurisdiction conformed to a "functional economic area." That is, an area within which business activities are pretty much integrated. Due to the nature of commuting patterns, it could be conceived of as an area within which workers competed for jobs. Identifying rural economic communities requires a careful study of interrelationships among small towns--trading ties, transportation facilities, and other integrating factors. Back of the Ottumwa delineation was the research of Karl Fox of the University of Iowa who worked out a way of dividing the state into logical multi-county communities for the purpose of more efficient state administration. In every state, better labor market information and technical analysis is needed to define rural communities.

Rural Development

The Rural Manpower Service is cooperating with other agencies in development work to create more jobs for rural workers. An important example of this is our participation in the Concerted Services in Training and Education Program. This is a joint effort on the part of several federal agencies to aid the development process in lagging rural areas. Dr. McCauley, my special assistant, is co-chairman of the task force that administers this program.

Our experience with this program has shown that, in order to induce businessmen to locate a plant in a small community, adequate services must be provided for the company and its employees. These include an acceptable educational system, adequate medical care, a good water and sewage system, as well as many other amenities. Planning for adequate rural services at the national level means we must have appropriate statistics on outlays for health, housing, education, and other services to rural residents.

Another data need in connection with rural development, is advance information that a plant is going to move into a particular area. This would enable us to give federal and state support to the local Employment Service office serving the area in building whatever recruitment and training services the employer needs. In particular, we would like to establish relationships with parent companies that are locating plants in rural areas so we could help prepare to meet their needs in an orderly fashion. I am pleased to note the presence of representatives of industry on the program today. I hope we can engage in a meaningful dialogue which will more clearly define the kinds of data required for rational decision-making.

Migrants

Thus far, we have been concerned with data needs as they relate to the overall manpower problem in rural areas. I would now like to direct your attention to a particular target group, the migrant workers and their families. These individuals need special attention at my level because they are, in a sense, the orphan children for whom no state feels a direct sense of responsibility.

Now I know you have been hearing about the hardships of migrants for many years, but what you may not know is that their position is changing from hardship to disaster. In the past they could at least earn some sort of a living. But today, with the inroads of mechanization, we find increasing numbers roaming the countryside unable to find farm work and practically starving. It's gotten so bad that we've had to seek help from the Army in providing emergency shelter and help from Agriculture in getting food stamps. Obviously, we have to get as many families as possible out of the migratory stream and settled into permanent jobs.

For the working members of migratory families, we need information on their educational levels and nonfarm work experience to plan training and placement programs for them. But more than this, we need data which will enable us to identify families that have an employable member to help support the family while the head is in training. In addition, we need tabulations of family data as to size, age of head, etc., so we can estimate how many families have a potential for settling out.

Our first endeavors were to try to settle migrants out near their work locations, but this didn't work too well because they didn't want to be so far from friends and relatives. Also, work locations usually are agricultural areas that are trying to absorb displaced local agricultural workers. What we need is data on both urban and rural areas for identifying places that can absorb migrants easily--places with expanding opportunities in lower-skilled jobs and low-cost housing, for example. In the case of Mexican-Americans, cultural considerations are a particular concern. Usually, they are unwilling to settle in a place that does not have a Mexican-American community. Finding such places is part of the screening process.

Assisting Communities in Assessing Options

Another aspect of the national office mission is helping rural communities carry out whatever strategy best meets the needs of the individual areas. If a rural community cannot provide enough jobs for its workers, it could pursue one of three strategies--the choice depending on the circumstances. If there are enough jobs within commuting distance, but some workers cannot afford or do not prefer to commute, the strategy would be to provide transportation facilities and organize the placement effort around the center where the jobs are. If there is no growth center nearby, and workers are willing to move, the strategy might be one of setting up centers in the lagging areas and in selected growth centers to assist the workers as they move. If workers do not want to move and there are not enough jobs nearby, the strategy might be inducing firms to move in. The choice of strategy is up to the community, basing its decision on local labor market information. But if the national and regional offices are to support these efforts, we will have to build up a composite picture of rural America by having the states collate local reports in order to help the federal staff assess the extent of such problems. Then we could work with the Department of Transportation, H.E.W, the housing agencies, and other federal agencies to provide the necessary resources.

Conference Agenda

I think the foregoing will give you an indication of the kinds of data the national office needs to fulfill its role. I am also keenly aware of the need for labor market information on the part of regional, state, and local officials throughout the Employment Service system. Needs of employers are also important. Later this morning, as I've already noted, representatives of these various groups will provide us with their views on the kinds of data they require for effective decision-making. Hopefully, they may even indicate to us some ways they may have found for meeting these needs.

Another important group that must be considered are the job-seekers, both those currently looking for work and young people making career decisions involved in preparation for the world of work. To make intelligent decisions, they need better information. These needs will be explained in another session.

Once we have a clear picture of the types of information needed for various purposes, the agenda of the conference will turn to the suppliers of labor market information, including the Bureau of Census and the U.S. Departments of Labor and Agriculture. During this part of the meeting, I hope we will look not only at the present status of LMI programs, but also spotlight any existing gaps and consider needed improvements.

In planning the agenda, some consideration was given to including a discussion of the delivery of labor market information to those that need it. This is certainly very important. However, it is a very complicated subject, and we felt it best to hold this matter for a future meeting. Possibly later this year we may hold another conference on that question.

Perhaps the most important part of this conference is the time set aside for discussion. Although we hope there will be an opportunity for some discussion after each session, I am especially looking forward to the general discussion that will be held during the final session of the conference. This will provide an opportunity to bring up any items not covered in the formal agenda. More importantly, it will give us a chance to pull together some general conclusions as to the present state of the art and what needs to be done to improve the situation. I hope that all of you will feel free to bring up any suggestions or comments you have during this general discussion. We are indeed very fortunate that Professor Ray Marshall has agreed to undertake a final summation of the conference.

We appreciate your coming and are looking forward to the rewarding conference that will provide some of the tools needed to help revitalize small towns and rural areas. As President Nixon so eloquently stated in his February 1, 1972 message to the Congress on Rural Manpower Development:

> "From the very beginnings of our history, the vitality of rural America has been at the heart of our Nation's strength. It is essential that we preserve and expand that vitality in the years ahead. For America will not be able to look eagerly to the future with a sense of promise and hope unless those who live in its rural areas are able to share in this vision."

NEEDS FOR RURAL LABOR MARKET INFORMATION AT THE REGIONAL LEVEL

Joseph Kasper
U.S. Department of Labor - Chicago Regional

Dan Sturt has told you about some of the problems he encounters at the national level in administering a Rural Manpower Service and from a regional standpoint, I could probably just ditto his remarks and sit down, but I would like to discuss labor market information and the lack of it from the standpoint of how it affects regional operations.

It's now more than two years since a Rural Manpower Service was formally established within the Department of Labor. At the regional level during those two years, I have been very intimately involved in the traumatic transition from a Farm Labor Service, whose sole mission was to provide service to seasonal agricultural workers and employers, to a Rural Manpower Service whose goal now is the provision of manpower services to all rural people, nonfarm as well as farm.

As a regional Farm Labor Service Director, I had very few, if any, problems concerning the agricultural labor market. From the employer's standpoint, we dealt with a relatively static group of employers and food processors whose labor needs and problems we knew very intimately because of a long-standing, regular employer contact program which extended back for many years. Since our labor force at the time consisted primarily of interstate migrant workers, our primary concerns were their numbers, their sex, and their age, but little else. For this kind of information, we depended upon the resources of the southern labor supply states who were our primary sources of supply. If we needed any information concerning farms, crops, acreage, we could always turn to the Census of Agriculture which, as you know, is conducted every five years with the most recent report issued in 1969.

For those of you who may not be familiar with the Census of Agriculture, let me tick off just a few items covered in that Census. I might add that the Census data is published statewide. A similar report is prepared for every county within a state. The data for all farms is as follows:

> Farms, land in farms, and land use by size of farms; farm operators, tenure and characteristics; farm income and

> sales; production expenses, machinery and equipment in place; and as an example of how detailed this information is for machinery and equipment in place, we have the number of farms and the number of automobiles, motor trucks, including pickups, tractors other than garden tractors and motor tillers, riding garden tractors, corn, grain and bean combines, self-propelled corn pickers, corn heads and picker shellers, pickup balers; livestock and poultry, the number of livestock, the number of poultry; the number of farms, and the number of each crop harvested by the number of farms, the number of acres, and the number of bushels; and where appropriate, irrigation and artificial drainage by number of acres.

Remembering that we have these kinds of data for a state as well as for each county within the state, I would say that there would be very little reason for this kind of a conference if we had the same kinds of data about the rural nonfarm sector of our country as we have for the farm sector.

But to get back to the problem, if you intend to work for Dan Sturt while he is Director of the Rural Manpower Service, you better learn very rapidly to become an advocate for the rural people in your region. And, in addition, you'd better take all and any action necessary to assure that rural people have equity of access to manpower services. I might say this, Dan, that the advocacy role and equity of access, for rural people, is going to live long after your tenure as Rural Manpower Service Director. As Chief of the Rural Manpower Service in the Chicago Region, my primary mission is to serve as that advocate. The advocacy role involves inducing, seducing, cajoling, and sometimes even threatening state E. S. administrators to allocate a portion of their resources which is reasonably proportionate with the rural share of the population, the labor force, and the individuals needing service.

I found out quite early in my advocacy role that it was quite difficult to serve as an advocate when I knew so little about the people whose cause I was advocating. This was quite forcibly brought to my attention last November when I was asked to speak before the Northcentral Regional Manpower Advisory Committee. This was the first time a representative of the Rural Manpower Service had been requested to speak to this body which, as its name applies, serves in an advisory capacity to the Rural Manpower administrator, and true to my advocacy role, I immediately accepted.

Since the meeting did not take place until December 14th, I began to get quite concerned about what I was going to say about rural people, again whose cause I was advocating. I could have quoted at this meeting some national statistics from a variety of sources, such as the fact that 29.1 percent of the population of the United States was rural and that 43.4 percent of the rural population is living in poverty, but I was quite certain that these people would want many more specifics about the six states in Region V. It's one thing to talk to a group of people and tell them that you've got this gut feeling that there are some real problems in rural areas without being able to tell them anything about the size and extent of that problem.

So I began to rustle around to determine just what statistics I could use in this presentation. Fortunately, the 1970 Census data were available and from that data I was at least able to delineate the rural counties in each of the states. I had access to a special printout of Census data which were prepared for allocation of resources under the Emergency Employment Act. These were county data and they provided labor force, employment, and unemployment data for each of the counties.

I contacted all the states, and through their efforts, was able to receive data from the welfare departments of each of our six states, data on the number of welfare recipients and the money payments for welfare, again by counties.

In addition, we tabulated employment services activities in rural areas for fiscal year 1971 from ESARS printouts. For those of you who are not in the know, ESARS is Employment Service Automated Recording System which is our magical computerized system of counting activities. The ESARS data proved quite conclusively that rural people were not receiving an equitable share of services provided by the Employment Service agencies.

Now I would be the first to admit that the kinds of data we managed to collect were minimal and did not begin to meet our needs for rural labor market information. But I think it's indicative of the dearth of information we have at the present time that the information we were able to gather was welcomed with open arms by the state agencies, and hopefully will be used by those agencies as a basis for the preparation for their plans of service. If there is one vehicle by which we can hope to achieve equity of access, it is through the "plans of service of the employment security agencies."

A "plan of service" which is prepared annually, and in fact is being prepared at this time for fiscal year 1973, can be defined as a written document which (1) describes state and local area needs for manpower services; (2) estimates on the basis of priority how much of that need can be met with present resources; (3) describes what services will be provided and how resources will be used to meet those needs selected; (4) projects specific planned objectives or results which will be accomplished; and (5) describes actions to be taken to achieve the objectives.

Another basic factor in the plan of service concept is that planning to the maximum extent possible should be based on the identification of something approaching total community needs for manpower services rather than being limited to identification of needs relating to only those applicant, employer, and community groups who were or are expected to be prime users of the Employment Service. The latter is contrary to the total community and manpower service concept and is particularly applicable to the rural areas.

Basic to the development of a state plan of service, is a document which is known as Exhibit A, Manpower Planning Data Summary, which Dan Sturt touched upon before and we might say that this document is the statistical guts of the plan of service because it does contain information, most importantly on the total civilian population, on the total civilian work force, breakouts of the universal need for manpower services by the poor and nonpoor, with breakouts for disadvantaged, other poor, near poverty, and all other nonpoor, the unemployed and underutilized disadvantaged by categories, estimated welfare recipients needing manpower services, estimated school dropouts, estimated numbers of veterans needing manpower services, and estimated number of minorities receiving or needing manpower services.

Now it is obvious that the preparation of this document is going to need a wealth of labor market information. It appears that the preparation of Exhibit A, Manpower Summary Data, for the SMSA's, the Standard Metropolitan Statistical Areas, is fairly valid. I certainly cannot say the same for the manpower data which we receive for rural areas, and I have the unpleasant feeling that most of the estimates we do receive are made by guess and by God. In fact, it is a little unusual that a Manpower Planning Data Summary is not required under the plan of service guidelines. And this seems a rather odd admission in view of our new accent on service to rural people.

As Dan Sturt observed, we seem to take the statewide universe, subtract the SMSA data, and whatever happens to be left over is rural. But this is not the kind of data we need. Now, in this discussion, I do not want to leave the impression that the Employment Service has taken no steps with respect to development of labor market information. In fact, I have with me three very excellent examples of the type of information which is gathered, two of which are the result of Smaller Community's program activities. I have the Manpower Research Reports for Langley County, Wisconsin, and Wright County in Minnesota.

The Smaller Community's program is one which contains a team of five to six professional members, consisting of labor market analysts, counselors, and manpower development specialists. The team goes into a county, usually at the invitation of the county fathers, and conducts a thorough manpower survey of that particular county. In addition to its survey responsibilities, it does provide manpower service during the period of its stay in the county.

Unfortunately, in past Smaller Community's program activities, it has been an in and out action. The team has made quite an impact on a county, but then, after a period of some two or three months, has moved to another county to conduct the same kind of a survey. This, I might add, is being changed under new revised guidelines for their program.

A third publication I have here today is an excellent document which I commend to your attention: a manpower inventory prepared by Kishwaukee College covering DeKalb County, Illinois. It is a very thorough and exhaustive analysis of the county, contains just about any and all data that we might possibly need. And if I would find one fault with this document, it is the fact that it was conducted under a contract with the Department of Labor and cost some $55,000. If we had this same type of information, and it would be most advisable for each of the 2,000 rural counties in the United States, I think our job would be a lot easier. But if my zeros are correct, this kind of a survey would cost something like $110 million and I don't think the Department of Labor is quite ready for that as yet.

In conclusion, may I say that we cannot serve rural applicants without current and future job market information. Needed information on jobs includes their location, the educational and basic skill requirements, age and sex requirements, and compensation. We cannot serve rural employers without information concerning the availability and the educational and skill levels of the labor supply. And finally, we cannot allocate resources in response to needs for manpower services for rural residents, without an identification of that need. If you can arrive at the answer to these questions within the next two days, you will certainly make my job at the regional level much easier and, believe me, I will be forever in your debt.

NEEDS FOR RURAL LABOR MARKET INFORMATION AT THE LOCAL LEVEL

Donald W. Ickstadt
Wisconsin State Employment Service - Eau Claire

I will be speaking today within the frame of reference of a local Employment Service District Manager from a rural area in northwestern Wisconsin.

In order to understand some of the problems we face at the local level as it pertains to data needs in a rural labor market area, I would like to, first of all, give you a word picture of the area served by the Eau Claire District Office of the Wisconsin State Employment Service.

The Office Administrative District encompasses a nine-county area adjacent to Minnesota and the Twin City area. It is approximately 150 miles from the eastern side of the District to the western boundary which borders with the State of Minnesota. The area is approximately 90 miles in length from its southern-most boundary to its northern-most boundary, covering a geographical area of 7,118 square miles. Incidentally, the area is larger than the following states--Connecticut, Delaware, Rhode Island, and almost the size of New Jersey.

There are only three cities in the area with a population over 10,000. They are: Eau Claire, the largest city in the area with a population of 44,619; Chippewa Falls, 10 miles north of Eau Claire, with a population of 12,351; and Menomonie, about 18 miles west of Eau Claire, with a population of 11,275. There are 75 other villages and cities in the area; 44 of these have a population under 1,000. The far western counties of the District are within the influence of the Twin Cities of the Minnesota Labor Market Area.

The total population of our nine-county area is approximately 303,000, of which 203,000 live in rural areas. The only real urban area is the Eau Claire-Chippewa Falls Area.

In June, 1971, the civilian work force in the nine-county area was estimated to be about 126,700 workers. The non-white workers number 439. The average unemployment rate was 6.3 percent with an 8.2 percent rate as a high in one of our counties and Eau Claire County with a 5.1 percent--the low.

Total employment in the area in June, 1971, was estimated to be about 119,000. About 45 percent of the employment in the entire District is in Eau Claire and Chippewa Counties.

There are about 5,362 employers in the District's area. There are 2,835 of these who have less than four employees--75 have more than 100 employees and only five have over 500 employees.

Over 50 community industrial development groups are active in the area.

Because informational demands from educational institutions are quite extensive, it is worth noting that there are 56 high schools in our area--five vocational schools--three state universities and one private college.

There are several active regional and area planning groups and, of course, a Cooperative Area Manpower Planning System--all requiring manpower information.

We also have two very active well funded Community Action Agencies.

It is interesting to note that about 22 percent of all households in the nine-county area have incomes of less than $3,000 of disposable personal income and 37 percent have less than $5,000.

The Eau Claire District Office has a staff of 33 full-time permanent employees. This includes our five-member W.I.N. team. Of the 33 staff members, 26 are professional and seven are clerical. We supplement this staff by utilizing three college work study students part-time, four W.I.N. enrollees, two Emergency Employment Act employees, and at times, neighborhood Youth Corps workers. We allocate 1.5 permanent positions to the function of manpower information.

Our office carries on extensive employability improvement programs which include establishing a considerable number of manpower training programs, an extensive job placement program and employment orientation program.

Now to be more specific -- Where do our requests for information come from--and what kinds of requests do we get--and what are some of the problems involved in trying to collect data?

I suppose it is only natural to start with the problems:

1. Our system of gathering manpower information is primarily a hand operation--and we don't have enough hands to do the job.

2. We do not have a system that gives us the answers to questions being asked. We need an automated system.
3. Our Labor Market Information System allows for gathering information that becomes obsolete before it can be disseminated.
4. We are not able to project accurately training needs in specific occupations in specific geographic areas.
5. Our information system does not identify employed workers as it related to their availability for other jobs--their training needs or mobility.
6. Our system does not provide applicants with the kind of information they want or need.
7. The availability of and exchange of labor market information between areas within a state or between states is unsatisfactory.
8. We lack up-to-date wage information and a system to gather and disseminate this information.
9. Workers who have withdrawn from the labor market or who may enter the labor market if jobs were available are not identified satisfactorily.
10. There is a lack of information regarding commuting patterns of workers and of worker mobility.

In order to indicate why I think these items are problems--the best way to proceed may be to give you examples of the types of requests we get for manpower information:

A. From Pierce County, one of the counties at our far western side of our area bordering with the State of Minnesota:

What is the total labor force in Pierce County?

How are these figures drawn?

How does this compare with the labor force--say five or ten years ago in size and age distribution?

What percentage is women?

How many of the potential labor force were unemployed in 1970? A breakdown by months or seasons would be appreciated.

How does this compare with the state, and the nation, over the same period?

How does it compare with Pierce County in 1969, or five or ten years ago?

What outside factors, such as seasonal adjustment, must be taken into consideration in interpreting these figures?

Has any official reckoning been done, or any conclusions drawn, regarding the relative unemployment in this area?

Are there any trends as to which areas of employment have gained or lost large numbers of workers, and the causes?

B. From a group of rural high school counselors comes this request: What specific jobs will be open in June of this year for our high school graduates in the nine-county area, in Minneapolis and St. Paul, Eau Claire, Milwaukee, and Chicago? Please send a list.

C. From a Chamber of Commerce (in one of the area's largest cities). Will you please send us the figures regarding the total number of persons employed in our downtown area?

D. From an industrial development group—if a new plant is located in our city—How many workers who have left our area for work in other areas of the state could be expected to migrate back to our city?

E. From vocational schools and high schools—What curriculum changes should we make to better prepare our students for jobs in this area? What courses should we offer?

F. From an employer located in a small village 80 miles from our office—What is the going wage for auto body repairmen in a 30-mile radius area of our city (the Twin Cities in Minnesota would be within this area)?

G. From a city industrial development group—What is the available labor supply in the surrounding trade area—the unemployment rate, character of available labor supply, number of those unemployed?

H. From a city official—What is the unemployment rate in our city?

I. From a job applicant—What jobs are there in our area that have a good future?

J. From a freshman high school student—What will my chances of getting a truck driving job be when I graduate from high school?

K. From an employer bidding on a large defense contract—If we get this contract, we will need to build a work force from nothing to 1,500 workers in one year and to 3,000 in two years—Can we get the manpower?

Incidentally, after a conference with this employer in order to get details as to specific worker needs, and conditions of employment, we told him we could do it.

You see, we in the local offices of the Employment Service are pretty good "guesstimators". We estimated that there were 2,000 employed workers in the area who would be willing to leave their present employers for these new jobs because of higher pay rates, and they would do this even though the length of employment was uncertain.

Following a two-year recruitment for this employer, it was proven that we were right—and we really looked good, which just goes to prove that local office Employment Service people are knowledgeable about the area served and they use a lot of good common sense.

Some of the answers we do have for questions like these, however, there are far too many answers we do not have. Yes, some of these questions may be had by an extensive special survey; however, we need a system that is on-going, and automated to allow easy retrieval of information.

Requests for rural labor market information often seek detailed information which we are unable to supply based upon available data.

The unemployment insurance machine listings by county have provided employment information within the standard industrial classifications for all firms with four or more employees which come under covered employment. This will improve with the broader coverage which has recently become effective. The 1970 Census data will provide valuable county data and it will improve as additional tables are released. County business patterns also are highly beneficial.

However, data for those firms not covered by unemployment insurance are not readily available and available data in the farming, fishery and forestry industrial classification are nearly nonexistent. In like manner, information as to available labor supply is extremely limited or nonexistent.

To secure detailed information from uncovered firms, firms primarily involved in agriculture, as well as to obtain information on available labor supply, requires extensive research. Many times lack of both sufficient staff and time prohibit providing such information "on time" to meet the requestor's needs.

Limited funding also precludes some of these special research projects. Such restriction could possibly be overcome through cooperation among several state agencies if time were permitting.

The persons seeking such information, no doubt, react in a similar way. They feel we aren't interested and are merely trying to give them the brush-off. They do not realize how much time and effort goes into gathering such information. But since a majority of the requests are received through the mail, it is rather difficult to explain satisfactorily why we cannot immediately supply the information, since we are the "Manpower Information Agency."

The problem is magnified by lack of knowledge or experience with basic sources of data by the groups most often requesting this information, namely local educational and governmental units.

These units often do not seem to have planning staffs who have knowledge of the strengths and weaknesses of the data, i.e. how to interpret such information or the reliability of some. In some cases, the planning staff do not appear to be even slightly familiar with these basic sources of data.

In conclusion, I would like to share with you some of my thoughts as they pertain to what is needed in order to have a Manpower Information System that will give the nation, states and local areas the ability to respond to crucial manpower questions in the 1970s and 1980s.

If we really believe that manpower, and the full utilization of our human resources is crucial to the survival of our nation, and survival of the private free enterprise system, we need to improve our Manpower Information System now.

I firmly believe that to improve the system, we will need national legislation that will make it mandatory that all employers list all job openings with the Employment Service, whether they want us to make referrals to those openings or not. I also believe we need an annual staffing pattern from every employer listing his current employees by occupation. We also should make available to all workers or potential workers, both employed or unemployed, a system that would allow them to register their employment desires, their potential for fields of work, their training needs, wage requirements, mobility, availability, and other information that would give us a human resource inventory.

If we had the three items —

1. mandatory job listings
2. staffing patterns
3. human resource inventory — and we computerized this information, maybe we could give information such as this:

In the Eau Claire District Office area, there are 250 mechanical draftsmen currently employed and during the past year, 15 job openings in this category were filled. In the State of Wisconsin, there are 8,500 draftsmen employed and during the year 890 jobs were filled.

Or maybe we could get a printout from a computer that would tell a potential employer who desires to open a plant in Hager City, Wisconsin, that there are 200 welders who may be available to him in that area if his starting wage would be $2.75 per hour or up. There are 110 of these potential workers presently employed, 90 are unemployed.

We could go on and on talking about the tremendous possibilities of providing good accurate information if we had the input information we need, and a computerized retrieval system. If we had this kind of system and had it tied into a nationwide job bank system, we may be able to advise clients at any hour of any day what jobs were open in Eau Claire, Wisconsin, Chicago, Los Angeles, or any other area in the United States.

Finally, I feel that in our fast changing times, with change accelerating every year, we need to start moving now to get the legislation and resources needed to give us the ability to cope with the manpower problems of today and for the future.

DISCUSSION OF SESSION I

David Ruesink

One of the bits of information that is applied and that a lot of program planners use rather religiously is the unemployment rate. How reliable is this; is it a figure that ought to be able to say whether the rate is going up or down; and could we use it for rural as well as urban areas?

Cora Cronemeyer

Since the beginning of 1967, the E & R have been working on a metro/nonmetro unemployment rate for the country as a whole by an annual average rate. The nonmetro is broken down between farm and nonfarm. These are about the best available data for rural unemployment rates.

David Ruesink

How do you feel about the unemployment rates? Do you feel the figure is useful and reliable?

Cora Cronemeyer

I think it's misleading. There is more underemployment in rural areas than in the cities. When we were doing our strategy paper, they asked us to include more about the proportion of unemployment in rural areas. It appears that rural areas are more prosperous, largely because of the farm segment. When you consider the farm population, the unemployment rate is extremely low, and this is now about 15 percent of the nonmetro. In 1970 the unemployment rate was lower in the nonmetro areas than in the metro, because chances are the recession began in the cities and didn't spread to the countryside until the next year. And there is a more distinct seasonal pattern to the unemployment rate in the nonmetro areas. That is why the Census CPS reports, which are based on March, give you a different picture than for the year as a whole. In March, they have a higher unemployment rate, relative to the annual averages, than is true in the cities.

Glenn Nelson

Are those data ever published? I've seen the annual data in the statistical abstract but that pricked my curiosity. I have called BLS about the other data, but they told me monthly data were so unreliable and jumpy that they wouldn't give them to me. They don't put those out as a practice, and maybe quarterly data were good, but they didn't put too much reliability on those and only publish the annual data.

Cora Cronemeyer

I just know that they have the monthly data in their office machine printouts. I don't know if they have published them or if they consider them reliable.

Dan Sturt

This unemployment rate calculation is a cookbook approach. It's a recipe used for determining what is the level of unemployment. Les Rindler, who's with the Public Employment Program, is very well trained with the cookbook. They have to go through the business of estimating unemployment in rural areas in order to determine allocations of monies. Les, tell us about the cookbook and how you go about estimating unemployment. It's a very elaborate process.

Lester Rindler

I don't know that I can really go through the whole process here and that I really know it well enough to describe. Generally speaking, what Mrs. Cronemeyer said is correct. The major sources of unemployment estimates are the CPS estimate which comes out from the combined Census Bureau and the Bureau of Labor Statistics every month and has some rule of breakout on a regional basis that's published once or twice a year. The data Mr. Sturt referred to are compiled in the Public Employment Service throughout the country. The area labor market statistics are used for determining unemployment in major metropolitan areas, states, and smaller areas. This method is not based on sample surveys or on complete Census counts. It's based on a synthetic method—an attempt to approximate what you would get if you had a complete survey. And, naturally, since it is done monthly and on a synthetic basis, you can't use the most expensive and statistically desirable methods that is, household surveys. They have to find a shorter way of doing it. The major components in determining the unemployment rate are the employment and unemployment in an area. The two combined constitute the labor force in the area or the work force as used in their handbook terminology. The employment is basically derived from the sample of major establishments and is corrected every year from benchmark data that come from the unemployment insurance service, so they can keep fairly good track of employment in major types of industries covered in unemployment insurance. For other industries they have to use some social security data to fill in some gaps, such as probably for educational non-profit institutions. The unemployment side of it comes basically from unemployment insurance records. Based on a formula Mr. Sturt referred to as a cookbook formula—they build up from that the total unemployment rate of the year, and the formula is made up of a number of components, each of which is designed to measure a certain element of the people who are not covered by unemployment insurance and who are, nevertheless, unemployed, such as new entrants in the labor market or people who have exhausted their unemployment insurance benefits for other reasons are not directly counted by unemployment insurance. The ways the formulas are used in these factors are based on national ratios which are determined through national statistics. They can approximate how many people--if you have this many unemployment insurance claimants, might be expected to have exhausted their unemployment insurance or have newly entered the labor market. These are corrected by data on population and on participation rates by age groups. So there are many steps in the formula, the result of which comes out with an unemployment rate for a labor market area. This unemployment rate is used extensively in newsletters and in area data and from time to time when Census data become available it is possible to compare these unemployment rates with Census data. There are some differences. These differences are partly due to problems in measurement and partly due to problems of concept, (the Census being based on place of residence and these data being partly based on places where people work). There are certain conceptual problems relating to commuting and double-job-holding which result in some minor differences in the figures. But for many purposes, operating programs and generally following the dynamics of the labor market from month to month, these approximations serve a very useful purpose. Although they might not be as statistically perfect as having a complete count every month. The problem, then, in rural areas is while the statistics are not broken down as to urban and rural, they are on a labor market area basis. Some of these labor market areas are more rural than others. The problem in rural areas is that the number of people who submit unemployment insurance claims is lower and, therefore, the base from which the estimate is made is lower and the kind of estimating that has to be done for the non-covered components is greater.

This results in a more hazardous estimate than we have for a large metropolitan area. Another problem is that unemployment insurance claims on which the data are based have not in all cases been coded by county in every area. When called upon to make these estimates the analyst has difficulty getting the base data to start with because, if the claims aren't broken out, he has a problem finding out how many people who are unemployment insurance claimants live in that particular county. There are a number of technical problems involved, but that is essentially what is involved in this kind of unemployment estimating.

Dale Hathaway

Using the method, if one drives north for 50 miles, at every crossroad on the interstate there are anywhere from 15 to 154 cars parked by people who are car-pooling out of rural areas to Lansing. Now, they are in covered unemployment positions and would show up as Lansing unemployment under these estimates. Is that correct?

Lester Rindler

When they claim, unemployment claimants are supposed to claim where they live. Some people may claim out of their areas but adjustments are made to put them back into their own areas for statistical purposes.

Dale Hathaway

There is a second problem with this—50 percent of all the farmers in the State of Michigan (and it doesn't take much to be a farm under the Census of Agriculture definition) hold jobs off the farm 20 hours or more for wages. One of the things that happens is that these people have low seniority, etc., and in the current unemployment they are all back on the farm without those nonfarm jobs and classified as working for two hours a week or more, paid or unpaid in a self-employed occupation, when in fact they're out of a job. That doesn't get caught in anybody's statistics under the present system, mainly because of the way we define rural unemployment. This terrible definition is useless of what a farm really is. I know there is nothing we can do about it; it's a definitional problem. A lot of people, and I know some of them personally, are being counted as employed. Even if you did a Census they would be counted as employed, when in fact they are sons who have been laid off from the factory and are helping dad part-time at home—getting counted as employed even though they're getting about enough money to keep a car running and go to a movie on Saturday night.

Cora Cronemeyer

That is a big problem. When we did our strategy paper, Brown said the name of the game is jobs and you haven't said enough about what proportion in rural areas are unemployed. Well, if you look at dual job statistics, you find that farmers are the number one moonlighters. The fact that they are counted as employed doesn't mean they aren't going to walk into an employment office wanting jobs.

Audience Member

You mentioned that the Bureau of Labor Statistics estimates based on the Census Bureau's 50,000 survey were usually tabulated per region. Was that the smallest geographic area for which the accuracy of the data could be counted on?

Lester Rindler

The Bureau of Labor Statistics also publishes data for large metropolitan areas, and breaks it out by cities and the rest of the area, as well as by regions.

Audience Member

The problem with that is that the survey data are most accurate for large population concentrations and least accurate for areas of low concentrations. Are these economic regions?

Lester Rindler

No, they are geographic regions.

Audience Member

Are these geographic regions the smallest areas for which the data can be counted on to represent the population?

Cora Cronemeyer

It depends on the proportion in the sample. The CPS P-23 gives the nonmetropolitan population nationwide. They don't give any regional break, except the total population for the four broad regions—northeast, north central, south, and west. They don't detail those because the sample sizes aren't considered large enough.

Audience Member

Then, if you a planning for a county area, you are using non-representative information.

Cora Cronemeyer

Yes. A one percent sample of the whole U.S. is a lot more reliable than the one percent sample of a county.

James Esshaki

I don't see how you can venture to say that, for the simple reason that you are not even following a reliable statistical method of finding the results. You can't even say to any extent how reliable. You are using a cookbook method, which I use in my job a lot because I know no other alternative.

Lester Rindler

The gentleman has referred to the CPS survey which is........

James Esshaki

From my own personal experience, statistics, almost 90 percent, are gathered from standard metropolitan statistical areas. They are not even separated within those areas. Lump sum and that's it.

Cora Cronemeyer

That gets us into the problem of sampling too. A one percent sample of a whole SMSA is a lot more reliable than a one percent sample of a component of the SMSA. You'd have to enlarge your percentage sample to get reliability of different parts of it.

Louis Levine

When you take a household survey as a base of unemployment estimates, the BLS itself and the standard metropolitan areas will not release unemployment for the standard metropolitan areas because the sample won't stand up even for the area. So they do not have another sample except for the 15 enriched areas that are enlarged. Otherwise these samples are too small to release for even a standard metropolitan area, although privately they have data and they use the insured unemployment data as one of the approaches or approximations pattern. When we talk about rural unemployment, isn't it correct to say, forget the household survey. That is not the base. It's much too costly, and the prospects for it are much too far in the distant future. Then you must ask what you can do other than approximate unemployment for rural areas. One of the problems is to start with counties, and there the question seems to be in considering the counties outside the standard metropolitan statistical areas (which is bad in itself; there are a lot of mixtures there). In considering all those counties separately there would be at least three problems. One of them is definition, as Dr. Hathaway has indicated. Definitions in terms of the concept of unemployment and in the concept of employer-employee relationships, which is not too clear when you get into a rural set-up (self-employment, etc.). The second one is overemphasis on unemployment insurance as a base, which is generally geared to industrial urban employment and has entirely different kinds of ratios and relationships than would be found in rural areas. That's one of the things that is wrong with the formula. And the third is the formula itself. When you read the formula, it is full of caveats—deviate for this, watch out for in-migration and out-migration, youth coming into the labor market at certain ages, and all of that. Even when they are observed in the making of estimates, they are blindly observed and are, therefore, in error. Two counties, one in some proximity to an urban area, and one that is rural and some distance from the urban area, have two different kinds of situations. One of the faults I find in the formula approach is that the state has not really begun to differentiate (unless you have information to the contrary and I would like to hear about it) county-by-county deviations from the formula, recognizing that out-migration of youth is very different in one county than it is in another. recognizing that the degree of unemployment insurance base is quite different in one county than it is in another would affect your estimates. It seems to me that these are the things you ought to comment on to bring out the failures in the efforts of estimating.

Lester Rindler

That is very true. For the purposes of many of the people in this room, however, the fact that the Census, more recently, provides perhaps good information on the rural-urban breakout of unemployment which we don't have in our current statistics. It just happens that Dr. Taeuber is here;perhaps he can discuss what we can expect from the rural Census in that sense.

Conrad Taeuber

We do have county figures and the figures are broken down into the standard rural and urban. Rural is then broken down into rural-farm, rural-nonfarm which is a residence concept, not an occupational concept of the farm. The data are available by sex, age, color and, for the counties with an adequate number of persons of Spanish origin they are available by that category as well. So far as the CPS is concerned, one possibility has not been explored. There is, as has been pointed out, a segregation on an annual basis for a handful of SMSAs. It would be possible to segregate in another way (if rural is defined in terms that don't vary from year to year).

For a standard set of counties, it would be possible to identify and provide an overall figure for that group of counties, as is done now and as was done last year for the so-called poverty areas in SMSAs. Involved in this was coding each household to poverty area/non-poverty area, and then running the standard tabulations. This year it's not feasible because of a redesign going on which would result in a good deal of hash if we had continued making that particular tabulation. By the end of this calendar year, the new sample will be in effect, and this poverty/non-poverty area segregation can be made again. I think, on the same basis, it would be possible to do that kind of thing on a set of rural or non-SMSA areas. You might have to settle for nationwide annual averages rather than monthly averages, but you could get something more than is available now.

Cora Cronemeyer

That is, if we gave the 2,174 counties classified as rural by the Labor Department, they could then give us tabulations for those counties as an aggregate.

Conrad Taeuber

I see no problem there, recognizing that you wouldn't get very good monthly figures. But over a period of time you could average them and get quite satisfactory figures, again as an aggregate.

Ray Marshall

Can you break them down by regions as well?

Conrad Taeuber

Probably for North and South—I think the West might be pretty thin. After all, we are dealing with a sample of one in 1,000 here and the West does not have a very large sector of the total population.

William Fischer

Let me just make a comment. Mr. Ickstadt raised a question about need for staffing pattern, occupation by industries within these areas. There is a new program on the horizon, the Occupational Employment Statistics Program, which I believe will help meet their needs. Some of you are probably familiar with this. It's a joint BLS-Manpower Administration program to get information by industry, employment, national, state and by area basis, which will provide the basis for areas to develop at least within industries' staffing patterns which they can relate to their area.

It also forms the basis for basic manpower projections to identify manpower demands.

Cora Cronemeyer

That can be done for any given county with an aggregate population of 250,000 or more.

William Fischer

Yes, and again it depends on the amount of supplification to the sample.

Collette Moser

How are the data collected? Are they employer reportings?

William Fischer

Employer reportings, right. This varies to whether or not we want to go on a county basis. Once you develop your area or state matrix, there are breakdowns for effective studies and supplements on a county basis.

Louis Levine

It seemed to me that Dr. Sturt's presentation was largely rooted in bureaucratic (in the finest sense of the word), considerations that labor market information is needed. If we take that approach, I would be inclined to say that you might want to start thinking about the possibilities of talking about county as your base, looking toward decentralized government and ultimately possibilities of some revenue sharing. Already EEA, but also the C.A.M.P.S., Coordinated Area Manpower Planning System, which has rural counties in it, calls for certain kinds of data which are not there now or are very poorly organized. Can't there be some arrangement made (I'm trying to tie budget and administrative pressures behind rural labor marketing information) to develop some facility or resource from the state administrative office for technical assistance to rural areas? Even the labor market analysts locally in the employment service are badly in need of help and are not getting it. The rural areas get nothing, so far as I know, and there's nobody to work with in many rural towns. They ought to develop interiors so that the composite of what comes up as your state plan reflects a much sounder approach than just a happenstance of what they now pull together.

Cora Cronemeyer

You mean like the International Monetary Fund has regional......

Louis Levine

Right. Forget the concept of a labor market as it was traditionally used in urban areas when you are dealing with the rural, and think in terms of the practical realities of counties and county manpower planning. Start getting something new to work on a broader geographic basis.

Cora Cronemeyer

Do you think the idea of a rural labor market is a fallacious conception?

Louis Levine

I think it is kind of dreamy-eyed. I don't think we know enough about the rural labor market and its dispersal, structure or lack of structure and forces of flow to really give a good definition at this stage. It isn't quite as simple, in some ways, as are most urban labor markets.

Myrtle Reul

I have been hesitating to even throw this out because it may muddy the waters more than help, but I do get a bit uneasy that so often we pick up on patterns that are already there. We have a tremendous amount of information that has been collected since at least the year 1900. Some of it goes even farther back in time, and much of it is woefully inadequate. We do not get an accurate count even when we break it down according to race and ethnic groups. I think we've got to come up with something that looks like a new pattern. I realize discarding it is a pity, but I think discarding it is a very good idea. I also had a bit of recent experience in one state that has moved toward this C.A.P. idea of using community planning groups. They use volunteers who lead a very thorough door-to-door survey, with some good input in how to go about talking to people. These were next-door neighbors, aides, people who could speak the language. And what they came up with in that community of the unemployed (those that wanted jobs, who were looking, and those who were not working but who were not interested in a job), was very different than they had ever thought of that area as having. It was something to get your teeth into because you could then talk to an employer. You had all the information necessary to get a person, aged such and such, with a limited education, ready to do the job you had in mind. In some of the rural areas in the states we represent, we're talking about people who may not even be able to read or write, or barely read or write. We're not talking about dropouts who now have three or four years of college. The point is, we don't have a blueprint we can use.

Audience Member

In response to the original question in this discussion about the reliability of unemployment rates, I wonder if the question is also leading to the use of unemployment rates as measurements of the rural area market as opposed to methods to identify underemployed and underutilized segments of this type. And you haven't really addressed yourselves to that at all.

Dale Hathaway

I'm going to get this point in anyway. Conrad Taeuber will remember that a very capable young man named Keith Bryant and myself struggled for some four years trying to make some rationality out of more data than we knew what to do with from the 1960 Census of Population and produced probably the dullest book that's ever been printed by the Government Printing Office. But in any case, one of the things we puzzled over for about two years was why there was a strong, positive relationship between the Census measurement of unemployment in per capita family income in rural areas. Now this just doesn't make sense in economics, unless you assume that the numbers are too small, and since we had a 25 percent sampling of the population, that doesn't seem likely. But this is universal. We finally concluded that the unemployment rate is really, in rural areas, for the rural population. I should say, it is really a pretty good proxy of the extent of local industrialization. As a matter of fact, this is why you get the strong positive relationship. The more unemployed there are in rural areas under current Census definitions, the more likelihood there is that there are a number of small plants out there who pay fairly high wages. This is a long way of getting to the question of whether or not the unemployment rates are relevant welfare measures, and I suppose the answer is that, in rural areas, they aren't very relevant at all. But to the guy that's unemployed, I'm sure it's pretty relevant. However, as long as the people in Congress sit there and allocate money on the basis of it, it's a relevant welfare measure as far as rural people are concerned, even though I doubt that it measures the right thing.

Varden Fuller

We may as well make this point explicit. We have an inadequate differential reflection of the concept of labor force. In some of the counties Dale was talking about, the really low-income counties, it's been so long since a good number of people were anywhere near a job that they probably don't even think of themselves as being employable. Consequently, in the response made about looking for a job, the answers would probably be impassive or negative and would not get listed. So to start off with, you are less likely to get a full count of the potential labor force. We know this occurs in areas of long-time unemployment.

SESSION II

EMPLOYER'S NEEDS FOR LABOR MARKET INFORMATION IN ORDER TO LOCATE AND OPERATE IN RURAL AREAS

EMPLOYERS' NEEDS FOR LABOR MARKET INFORMATION IN ORDER TO LOCATE AND OPERATE IN RURAL AREAS

J. D. Little
Harper, Cotton and Little, Inc., - Charlotte, North Carolina

I am particularly honored to have this opportunity to talk about the need for labor market information from the viewpoint of an economic development consulting firm with primary emphasis on new manufacturing plant locations. In our studies of potential plant locations, we spend more money on the accumulation and evaluation of labor market data than any other single plant location factor. We particularly find a dearth of labor market information in the nation's rural areas, and this is where we spend most of our time looking for plant sites. Because of a tremendous Washington influence, we expect to see more and more new industrial plants in rural areas, as well as all other types of economic development. With this emphasis on rural development, the need for labor market information is more pressing than ever before.

Harper, Cotton, and Little has, over the past two decades, developed techniques leading to some of the most successful industrial development programs in the nation. Working with the giants of the industrial world, we have located more than five billion dollars worth of new and expanded industry. However, in accurately appraising the labor market situation, we have been least effective. Our poor job results from the lack of both accurate and readily available information. This is especially unfortunate because many plants are not located on sites which might have been selected, if proper labor information had been available. Highly inflationary labor costs, also result in situations in which employers often times do not minimize costs as they might do if more adequate information were available. Many agencies are trying to produce accurate, reliable information but simply do not understand the proper need or the proper approach.

For the first time in our experience in the plant location field, we have seen how the careful accumulation of good labor market data has resulted in tremendous economic and, especially, industrial growth in manufacturing industries. In a recent year, South Carolina, ranking among the smallest of the southeastern states, led the entire southeast in new capital invested in new plants and equipment. In one year this state was able to attract over seven hundred million dollars in new plant investments as a result of its industrial promotion efforts. It is no happenstance that South Carolina also has the most extensive and accurate labor market information compiled in the form needed by the plant locator for all areas of the state. I might add that the man responsible for the manpower inventory system in South Carolina is a former vice-president of personnel for one of the country's major manufacturing concerns.

I am, therefore, suggesting that to properly understand the employer's needs for labor market information, we must view this subject from the vantage point of a labor intensive industrial employer whose labor cost means the difference between success and bankruptcy. I would like to invite you now to analyze with me the factors that primarily control a product's labor cost. In discussing labor cost, I would suggest that we remember the significant differences in the *detail and accuracy* of labor information required. For example, in a new chemical plant, the investment per worker may run as high as twenty thousand dollars whereas in a new metal working production and assembly plant, the investment per employee may be only three to five thousand dollars. As expected, most rural areas have been the location choice of labor intensive industries with low investments per employee. Therefore, it is in the rural areas that the need for detailed labor market information is the greatest.

As in dealing with any basic resource in considering plant location, we concern ourselves with the manpower market in terms of both *quantity and quality*. We first consider quantity for the labor intensive type plant to determine if we can provide the number of workers needed above established entrance quality standard. In determining the quantity of labor from which a new plant can be staffed, we begin by defining the area's available labor force. From Census information we establish the characteristics of the population. Next, we study the total number available by geographic area as we increase the distance from the specific plant site. We study the ratio of males to females and the breakdown according to age classification with specific interest in the nineteen to forty-four year-old groups. We study the ethnic group characteristics and educational achievement levels. A careful study is also made of the labor forced participation rate by various types of employment activity. When a study of labor force availability is satisfactorily underway, we begin to study the factors relating to competition for employment. Generally we begin by studying the area's working population according to wage rates, since the wage patterns of an area must fit the plant rather than a plant's wage rate patterns being fitted to the community.

The next step is to define the labor draw area of the plant site under consideration. Data are collected on factors which establish the normal commuting distance to be expected at the particular plant site. Commuting distance is generally influenced heavily by transportation routes and competing employers so these are carefully noted. Competing employers are identified and, if possible, information is obtained on wage rates according to job classifications in these competing plants. The cost of fringe benefit packages varies widely from area to area and, therefore, these costs are estimated for the area as established by competing employers. With this information we can do an adequate job in evaluating the quantity of labor to staff a plant and wage costs--but *not labor costs.*

We then move into indexes which reflect the *quality* of the labor market. Most of the indexes we use relate to productivity, which varies almost unbelievably from one location to another. Although difficult to prove conclusively with accurate data, I believe, we could prove convincingly that productivity of workers in rural areas, after proper and thorough training with good management, exceeds productivity in the more urban areas. As important as the subject of productivity is, it is also one of the most difficult on which to obtain qualitative information because of its confidential treatment by most employers. Therefore, in many cases we must deal with more indirect indicators than direct data on productivity. In some instances we have been able to compare output per man-hour for a standard product or use comparative scrap rate information, but generally these and similar direct data are not available. More often we have to deal with information on worker attitudes as reflected by absenteeism rates, attrition rates, and data on management-labor relations. Many of our clients stress the fact that they have made many mistakes in handling labor problems and are eager, in new locations, to vastly improve their productivity rates by doing a better management-labor relations job. We are, therefore, generally required to go into management-labor relation information on the location considered because this information directly relates to productivity. Today's intelligent management people truly want to do a much better job than their predecessors in establishing good management-labor relations programs to achieve better quality workmanship and more human individual interest.

Because of this great interest, we are often required to develop data on the precentage of local labor force belonging to various labor organizations. Data are obtained on man-hours lost due to management-labor disagreements and on the attitudes of area laborers toward joining various labor organizations. If the area has seen considerable labor strife, we are required to develop information indicating the basic cause of such strife. Another point which is generally evaluated is civic and business leader interest and involvement in management-labor relation affairs. This information is sought because of the marked effect of active business and civic leadership on the management-labor relations climate in an area. All the information I have described is very familar to each of you, and I am sure you must think that it is readily available in the form needed by a plant locator. Data on each point I have raised are available in general form, but I can assure you, they are *not* available in the detail required to *accurately* assess labor costs and labor force characteristics which will be experienced by an employer in a specific area.

I commend Dr. Moser and leaders at Michigan State University for their understanding of the critical need for labor market information which prompted this conference. And I am hopeful that the conference will result in a revision of the specific type of information collected in the future. I believe we have a real challenge before us and I am confident that your leadership can bring about the required element of manpower information to allow all of us to do a better job in economic development planning in the future. We are on the right track but I think we need to do a better job with more expeditious handling. We are admonished with the words of Henry G. Weaver: "We must keep in mind that even if we're on the right tract, we'll get run over if we just sit here."

AN EMPLOYER VIEWS RURAL LABOR MARKETS

Jack Thiele
Whirlpool Corporation - Fort Smith, Arkansas

I appreciate this opportunity to represent the industrial sector of our economy in speaking to this fine conference. I particularly appreciated Dr. Moser's invitation because it gives me an opportunity to visit the campus of one of the finest schools in the country, one which I have had the opportunity to visit many times in the past, on a variety of missions. I must say after an absence of five or six years, that a considerable change has occurred as a result of rapid growth.

It is also a pleasure appearing with Mr. Little, since I have had the opportunity to visit South Carolina and am aware of the industrial development efforts in both the Carolinas, particularly the growth of technicial centers and other educational and skill training delivery systems to support industrial growth.

It was a challenge for me to prepare my remarks for this distinguished group since my thoughts on our assigned subject may tend to be overly simplified in terms of what you want to hear. In my research for this presentation, I attempted to talk to people involved in industrial development at the local and state levels.

I would like first to discuss the assigned topic and then take advantage of this opportunity to comment on the broader aspects of manpower applications in rural areas, particularly their relative roles in total rural economic planning.

The basic requirements for an employer's attempting to locate in a rural area, or a new plant in any area for that matter, may appear somewhat academic. However, for the sake of the record, let's enumerate them again and perhaps amplify the comments Mr. Little has already made.

Manpower availability and wage data are fundamental. We certainly must know the basic manpower mix in an area. The essential elements are the numbers and types of skilled employees such as tool and die makers, maintenance mechanics, programmers, secretaries, etc., who are working and available, as well as the general laboring work force employed and unemployed. Depending on the type of business and its size in the community, other matters of concern are the availability of female employees, the age distribution of the work force, the racial distribution of the potential work force, etc.

While this statistical information is important in fundamental decision-making as to whether there is an adequate labor force available for an industrial operation, it does not, however, provide other necessary information an employer needs to make a sound decision in locating a new plant. These basic manpower availability and wage rate statistical studies provide a broad framework, but do not provide the sophisticated information really required to show a prospective employer how a community really lives and operates. These are the things that are more difficult to learn and summarize about a prospective community, because they are normally established through that black art known as "getting a feel" for the situation.

They include such things as:

1) The quality of living the community provides
2) The kinds of schools
3) Cultural advantages
4) The number of churches
5) The availability of medical and professional services
6) Types of people in the plant
7) Productivity of the people
8) Individual attitudes, as well as the community's, toward organized labor and labor organizing activities.

Let's face it, in most rural communities there is very little difference in comparative data. There *is* an available labor supply; today there *is* an opportunity to train for the necessary skills. These subjective factors involved in the type of community and the people living in it become the critical criteria in a final decision between two or three alternatives for a plant location.

Other factors such as proximity of markets, relative costs of in-bound and out-bound freight, availability of suppliers and other industrial support services in the area must also be considered.

Let's first talk about the availability of the base data that we all know is needed and required. This information, as we all know, is normally available from a variety of sources, including the local employment office, the local Chamber of Commerce, the State Industrial Development Commission, the local or state university, particularly its business extension office, or a development district, if one exists in the area. While all the data sources don't necessarily agree, or their data aren't normally current, a firm, search agency or consultant is able to determine appropriate numbers that are usually adequate by checking two or three sources. Normally these same agencies are able to provide wage rate information for the various occupational levels in the community. At least some of these agencies also are able to provide indications of the stability and productivity of the work force in terms of turnover rates, absentee rates, etc.

One challenge we would like to see taken up by this group is not developing more data sources, but coordinating these existing sources and accumulating data already available on a current and periodically updated basis. This problem varies, of course, by area and by state.

Our company, for example, has found that the Employment Service in the State of Ohio has been very competent in providing any and all of the data we wish to secure about a rural location being considered. They coordinate information at the state level with the other agencies to give the employer complete data from all sources. On the other hand, in some midwestern states which have not developed systems such as Ohio's, we found the local Employment Service to be almost useless in its ability to supply meaningful information.

An often stated criticism of the Employment Service is that it is bureaucratic and hidebound, out of touch, so to speak, with what is going on in the outside world. Many of the older Employment Service practitioners are inflexible, doing "their own thing" from their obsolete frame of reference rather than finding out from an open and questioning perspective what they really need to know or what should be important to them. Also, of course, there are some regions that may have the additional problem of racial prejudice and ultra-conservatism. Because of these things they tend to deal only with the visible, central core of the manpower spectrum, and not with the total limits from professional to disadvantaged unemployed. Other agencies have attempted to provide specific manpower data because of these weaknesses in local Employment Service performance.

In our operating plants we are constantly harrassed by various agencies sending field representatives or questionnaires in order to develop wage and manpower data. It becomes rather apparent after a period of time that we need a great deal more coordination of these statistical gathering efforts.

While many have already thrown up their hands in dismay, my personal opinion is that we should concentrate our efforts toward upgrading and improving the Employment Service at the local and state levels into a comprehensive, effective manpower agency. We all need to concentrate on improving these services.

One of our greatest failures during the last decade in the public sector has been to pyramid program upon program in attempting to solve old problems that yet go on unsolved. We never seem to be able to go back, review and audit what we have already done and make the necessary corrections and adjustments in existing programs to ensure their success. We have the same problems within our industrial organizations. It is directly related to what I call the "looking good" syndrome. We are all afraid for our job security, of failure, or a poor performance review, or the loss of a contract, or the loss of federal funds, or what have you. Instead of going back and correcting what we have already done, making admissions of failure or mistakes where need be and then making necessary improvements for the future, we tend to try to take the attention off these failures or mistakes by creating new programs, new ideas or new research projects which are more exciting and tend to throw a cloud around our past failures. The result is that we have highly segmented, poorly coordinated, non-productive efforts which cause a great deal of dissatisfaction and ill will, as well as wasting *vast sums* of money.

Therefore, I would urge we not consider creating another agency or another program to secure data, but to evaluate the weaknesses or failures in those services that already exist in rural areas. We then should make the necessary adjustments in the local employment offices or in other agencies or whatever exists in that particular rural setting to meet the necessary requirements presented during this seminar. With Phase II, O.S.H.A., new taxes, etc., I don't think we employers or any other group that is constantly surveyed can handle many more forms at this particular time!

I would also like to comment on the sources for the more intangible requirements of employers that perhaps do not meet the criteria of specific labor market information, but are, however, very important to the decisions made by industrial development firms, plant location consultants, and major companies.

In Fort Smith we are fortunate to have one of the best industrial developing Chamber of Commerce in the region. I know that many of you do not feel that the Chamber of Commerce is a suitable vehicle for such an effort because of its vested interest, bias, or narrow range of community concern. From my experience with several Chambers, I would have to agree with you, however, this Chamber of Commerce, headed by Mr. Paul Latture, who is recognized as one of the best industrial development men in the country, is a unique organization. While talking to Paul the other day about my subject, he asked that I point out to you that after working with hundreds of industrial prospects over the years, including most of the large corporations in the country, he feels a definite pattern establishes itself very early in any company or consultant's contacts with him. While there is always interest and concern about the labor market availability and relative wage levels, the real concern centers around the community itself and its quality of living.

For example, very few companies are concerned about the fact that organized labor exists in a community, or are they even concerned about their plant being organized. The thing that interests them is the attitude the community and its individual residents have toward irresponsible labor activities, such as slow-downs, wildcat walkouts and strikes.

Mr. Latture cautions that in any situation we have to be realistic and tell it like it is. This has been one of the problems with many of the local and state agencies in dealing with manpower information. That is, they tell it as they wish it were, or as they think the visiting prospect wants to hear it, rather than the way it really is. Most employers will not make the key decisions on plant locations without talking to other employers, or fellow businessmen in a community because they feel these people are more reliable sources. Aggressive utilities in rural areas play key roles in this process and obviously have a vested interest in what happens.

As I pointed out, basic statistical data are not as meaningful to a prospective employer as some recently arrived employer's evaluation of the data.

- What has his experience been?
- How easy have people been to find and employ?
- What has been their attitude toward their work?
- How productive are they?
- How is the work pace?
- What about union and labor activities?
- How is the product quality?
- What are the local traditions, morés and habits?
- When was the last school bond election? Did it pass or fail?
- How effective is city government?
- How is air travel service?
- How are roads and highways?

These are questions that employers and search consultants prefer to ask employers directly. The answers to these questions seem to be more important in weighing various data available in a community.

Manpower information is not an entity, but should more properly be considered within the total parameters of economic development for a regional area. Therefore, let's take a look for just a moment at what might encompass a total regional planning system. There is apparently growing agreement at all levels of government that planning is more effective and successful when conducted and implemented at the local level, with the necessary coordination and control at higher levels, so that it becomes a part of the total state or national plan. Manpower data should then become a viable element in this type of total program plan.

Successful development requires efficient and effective state government under a strong, responsible governor who ideally is able to administer through a cabinet or staff which provides the coordination of the various operational bureaus required in today's complex society. As I have suggested, the state Employment Service is the appropriate agency to secure, develop and provide manpower availability and wage data at the local and state level. An effective agency such as this will also provide that important link for the state into the national planning system, through the application of computer data banks which I understand are under development.

Other agencies such as universities or state industrial development commissions then are able to provide their own independent and unique services. Ideally, universities and their extension groups should be providing the research and supportive background including analysis, evaluations, . . . the "think tank" approach . . . in anticipating economic trends and developments which rural areas can take advantage of. There is a strong tendency now for these groups to get directly involved in manpower data accumulation which diverts them from this more basic and important task.

The Industrial Development Commissions provide the staff who work directly with industrial prospects and provide the promotional activities that represent the state at its best.

The state planning agency, whatever it may be, then takes on the central planning and administrative function, coordinating all these specialized inputs into a total "make-it-happen" statewide economic development effort.

I don't believe we can *properly* consider here the various aspects of manpower without giving some thought to the total delivery system and the interface of these data with the other needed elements of a total plan.

In conclusion, I feel the basic information for an employer already exists in one form or another in most areas, although it may not be as current or available as it should be. The need in most rural areas is to focus attention on this information within existing programs so that it is pertinent, current and available.

While this basic labor market information is important, the normal tough decisions are made upon more subtle and sophisticated information as to the type of community and people that exist in an area, their attitudes, work habits, and the overall quality of living an area can provide.

I would suggest that perhaps one outcome of this conference would be to evaluate those conditions in a rural labor market which really are meaningful and will lead toward industrial development and economic expansion. And, we should all dedicate ourselves toward reorganizing that grand old work horse, the local employment office, so that its oftentimes narrow, prejudiced, obsolete and presumed function can be transformed into an aggressive, flexible, well coordinated, comprehensive manpower agency that fills the full range of a rural community's economic requirements.

Finally, we should not isolate ourselves from reality in focusing our attention specifically on manpower data, but recognize the need to relate and coordinate this information within a well planned and executed regional or state industrial and economic development delivery system.

DISCUSSION OF SESSION II

Dale Hathaway

I was very impressed by the fact that employers who are really interested in offering jobs to people are using quite different criteria about where to settle than program administrators are using to allocate program monies to get people hired. My question is, "why doesn't the industrial community make a bigger input into the legislative process in order to get the criteria used for program administration somewhat in line with those used for actually getting people employed in a specific place?"

Jack Thiele

That's a good question. I think it's the same reason that business and industry in general have not been active in the legislative process at the state or national level. We're only beginning to realize that we need to be. Unions have taken the ball game away from employers. Perhaps with a new generation of businessmen and the enlightened pressures of consumerism you'll find business and industry getting more involved in these types of things. They've just ignored it in the past, and haven't felt the need or thought they had the power even if they did get involved.

J. D. Little

One day I asked Luther Hodges, my former boss in North Carolina, this question: "When you got to be the Secretary of Commerce, why didn't you deal with some of these things?" I never did get an answer to that one. But I really do wonder why so many people who come from business management positions into roles such as Secretary of Commerce and Secretary of Labor don't bring more business into it. I think a lot of it is really because the system is so well entrenched. If it's wrong, it requires a lot of input to get changed. I don't have the answer either but it is a good question.

Louis Levine

I wonder if part of the answer is that unemployment is both a political and economic fact and unemployment has significance in the voting booth, whereas industrial development is largely in terms of balance sheets, productivity and a few other things which are hard to translate to the man on the street. He, in turn, translates it in voting. But it hasn't had the political translation.

Varden Fuller

I have a question for both gentlemen. Could you conceive of a kind of a typical or average plant location prospective and estimate what proportion of the total consideration turns on manpower problems, considering taxes and other services, and services in the community, such as economics, advantages and disadvantages, and input and output markets. In short, how much does the manpower issue have to do with locating?

J. D. Little

I'll have to generalize on that answer, but I think we've seen that because of market concentration in many industrial belts, e.g. the North, we oftentimes find ourselves in a compromising situation. We can only increase transportation costs to the market, to and from the raw material sources as much as we can reduce manpower costs. We find generally there is a significant difference, even within a given state of manpower costs. So it all turns on the labor intensity of that industry. And then it's the cost per employee that goes to the bottom line, and we've got to translate to that bottom line.

Jack Thiele

As I indicated in the paper, a large company such as ours might be a little different from some of the high intensity labor concerns in industries that first came to the South. But according to the corporate people in some of our new plants, this concern about the quality of the community and the type of place we were moving our management into was probably more important to us than the other data, which tends to be very similar in many areas. I liked the comment that we weren't concerned about the low labor rates. For example, the washout you get is the differential between the low labor rate and your increased inbound and outbound trade with a plant in another location. From discussions I've had with larger companies that are concerned about their people, I feel you tend to look at a community more closely than some of its raw manpower data.

Audience Member

In my point of view, we are most concerned with training people, getting them jobs. We have difficulty getting information regarding the existing employment in an increased rural area. We're probably not getting information from the manufacturers as to lack of jobs, what future jobs they anticipate, so we can train people accordingly. If our state and federal governments would be willing to drop the money for training programs, we could do this. As it is now, we train them to be machine operators and, by the time they are trained fully, the jobs aren't needed.

Jack Thiele

This is a function of economy. As a large corporation begins, it works very hard with what we call manpower planning, which is related to profit planning, which, in turn, is related to total product planning. We spend a lot of time at it, and frankly are not very good at it in terms of our five-year program. Most employers in rural areas have small operations, and don't know what they're doing from day to day. And they may be very suspicious of people such as yourself or even local employment people. In the first place they don't have time, and in the second place, they don't want to take time. And in the third place, they don't like it because you're a bureaucrat.

James Esshaki

How do you get around it?

Jack Thiele

You just have to make some educated guesses, perhaps through a good state and industrial development commission, and there are some good ones. Arkansas has had a good one and people in the Carolinas offer good programs. I think if you go to the state level people, you get better projections than by taking the time to go out and talk to local people. We have run into this same thing in vocational and technical education. You can start a program at the junior college or four-year college level, train all sorts of people on the projections you made in the beginning, but when you finish your program, there are no jobs. As a result, our technical schools in Arkansas are training more cosmotologists and body repair people than in any other state. This is simply because both of these are easily trained and there is a lot of availability for them. In an undeveloped rural area, companies aren't doing the sophisticated job of planning. As mentioned this morning, we may have to force it legislatively. I'm very concerned about planning. As I indicated in my paper, I would like to see the Employment Service be more effective. The Employment Service has the best interface with employers of any other agency. However, due to the impatience of various racial groups, for instance, O.E.O. or the various community action programs such as VISTA have been forced through. There are all sorts of VISTA programs in the North and South. So what you wind up with is another half dozen programs in a state such as Arkansas which have more funds, and people being paid twice as much as Employment Service people to do the same job. You'd be surprised how harassed we really are by people trying to get information because we have a big company, about the only one in this area. I'm getting very concerned, because we're spending all sorts of money, but not getting anything accomplished; everything is bogging down. We've been talking about the same things for the five or six years that I've been in Arkansas, but seeing no action. The only solution I can see is to go back in and operate on the employment service, even though there are some horrendous problems there too, due to seniority etc., but companies have the same problems and you can work around those things. Upgrade the employment service because, again, they've got the interface. The discussion this morning about Wisconsin was a beautiful example: that Employment Service can get to the employer, many of these other agencies can't.

Don Ickstadt

We don't have enough jobs in relationship to the labor planners so we have a great out-migration through various programs. Under normal conditions we're kind of a labor supply area with hiring done all over the country we don't have recruiters coming to our area to recruit manpower, but in normal times, we have recruiters in our office in Eau Claire, Wisconsin, from national coporations in southern Wisconsin and northern Illinois. And they tell me that we have some of the finest workers who have the right attitudes and that they like our people much better than their local source. Since they keep coming back, we feel we must have pretty good workers. However, when I turned the tables on them and asked about locating a plant in our area to make use of this tremendous labor force, we can't seem to get together. Their manpower people tell me cost of transportation is a big factor. They want to be near or closer to their markets: Chicago, Milwaukee, and the Twin City area, etc. I have to come to the conclusion that if we're going to do something to overcome this handicap in northern Wisconsin and other areas in the nation in terms of industrial development, maybe we ought to underwrite some of the costs of transportation to some of these companies. This is one of the major conditions that stops a major plant from locating there. I would be willing to see our state and national governments do something about underwriting this cost of transportation, and I'd like to have you gentlemen respond to this.

J. D. Little

I think this might be a short-range solution. I've seen programs in the southeast that were designed to bus people, for example, free of charge to jobs. The North Carolina Fund which was, I think, underwritten by the Ford Foundation, tried to relocate some Indians from an area where there was underemployment and no employment to an area where there were job opportunities. In short-range, it worked. But pretty soon, they weren't satisfied there, because of the social barriers and such. The natural trends, may govern what happens, and I don't believe that transportation is anything more than a short-range solution because the economic principles will apply otherwise. But I did want to comment on the fact that in many areas you have trained people. We're working in the State of Alabama right now in designing training programs for future industrial employment and we find that there's a tremendous credibility gap or mutual respect between manufacturing employers and the people in the Employment Security Commission or other people such as these. They won't talk to each other when they really should. We came in as a business consulting firm, and all their employers let their hair down on a confidential basis so we were able to get the data we needed to design these programs. But for some reason they don't respect each other enough to divulge information to government people.

Jack Thiele

Something he said was very important to this group. Our plant is not labor intensive, we're a big highly automated sheet metal fabrication assembly plant. Our experience has been that the unemployed in a rural area are just as hard-core unemployable as are the urban hard-core unemployables. It took us a long time, and we worked closely with the Labor Department in that region and conducted an experimental world-of-work type program with rural people. We finally convinced some of them to certify like Human Resource Development (H.R.D.) to get the program. One thing we ought to be aware of in rural settings is that you have to exert a great deal of effort to train and orient a rural person, be he White, Black, or Indian (and we have a lot of Indians in that area) to a large, highly-automated plant setting, just as clearly and to as much extent as you would a hard-core urban person who hasn't worked in a plant. I think this point is missed by more and more employers as they move into the rural areas. The turnover reaches an ungodly number; they rehire to work for us four or five times a year and wonder why they're not getting along in the rural areas. We stress this with everyone we talk to and see in the area. You've got to train and work with these people; teach them what it's like in the world of work and in the plant, just as you would if you were hiring someone from the ghetto in Chicago.

Jim Booth

You said the main source of workers you find for your plants is the underemployed group. And in terms of national program, Dr. Sturt indicated that maybe underemployment is the key statistic we need to better allocate our manpower resources in terms of rural areas. Do you have underemployment statistics available to direct you in locating plants? Would these statistics be useful?

J. D. Little

Tremendously useful, but not very available as yet. We have to go back and rely on trying to collect data on what wage rates are in the area, how many people are falling into certain wage rate categories. And then simply conclude that if they make less than a particular plant is going to offer, we can attract them away with the right kind of work environment, etc. But this is much more beneficial to us. We think it answers the unemployment problem, in that if we take the underemployable and elevate him to a level he is capable of meeting, the unemployed is then either going to feed into the bottom or be trained, in a program designed to qualify him for a bottom job that will feed him in.

Cora Cronemeyer

Mr. Thiele, you said that the improtant thing is to coordinate the data that are available and you mentioned how Ohio was doing that. I think some of us are not aware that the data are available. What agencies supply data they can coordinate?

Jack Thiele

My point was that he gets into this in a much more detailed way than we did. In Ohio we set up a couple of new plants. The Employment Service in Ohio is about as effective and well organized at the state level as any we've worked with. They know what an employer wants and coordinate very well to get it for him. For example, if you want a piece of information, those people know what we're talking about and will break every piece of red tape they can to get it.

Cora Cronemeyer

Is there a data supply?

Jack Thiele

For our needs, yes, although I don't feel that some of the basic statistical information is as important to us as the quality of some of the other things in the community, in terms of getting at productivity and the kinds of people you're going to have working for you.

Cora Cronemeyer

So it would be that kind of business that would be supplied.

Jack Thiele

I don't feel that in most rural areas you folks, for other reasons, are real interested in these sort of things. But from our standpoint, as employers, the basic people are there. And it doesn't take long to find that out.

Robert Hunter

It might be worth pointing to one of the other comments we had at coffee, that we've been looking at the six states in the regions served out of Denver. And we discovered that there is better than $12 million in program planning in those six states. That involves housing and urban development, economic development admisistration under commerce, O.E.O. There are 39 state plans being developed by H.E.W. alone, and they're all supposed to be comprehensive plans, which should strike one as ironical.

Howard Dellon

What about C.A.M.P.S., which you left out completely?

Robert Hunter

For good reason. There is a strong desire on the part of most of us to develop C.A.M.P.S. and there seems to be a reluctance on the part of the administration to support it at the level necessary to do it even if it could be done (and I guess there is some question, at least in our neck of the woods, whether it really can be). But the point is, any plan requires the gathering of base data information, much of which, particularly O.E.O. data, goes to the very quality of life itself, including housing conditions, etc. If those data were assembled in a useful way, then indeed, as apparent in Ohio, some of this sort of thing could come through. There's one problem, however, and two possible solutions. We will require the constitutional reorganization of state government. It's true that certain states have governors who can exercise considerable authority. An O.M.B. study not too long ago compared, among other places, Colorado and Pennsylvania. As I recall, the State of Pennsylvania had something like 100,000 patronage positions the governor could fill, and the State of Colorado had some 600. The amount of control the governor has and can exercise over anything in this state is going to vary. It suggests to me that much of the coordinating activities the governor cannot do in his own state are going to have to come from the regional and national levels. More power to decentralization, Dan, and the opportunity for the regional office to do its job.

Jack Thiele

A good friend of Mr. Little's, who was Director of O.E.C. in Arkansas, said, "For Pete's sake, Jack, don't go up there and talk about these details that they want to talk about. Talk about the big picture," which is where I was going to wind up. There is going to be a great effort exerted at the state level to put this all together and make it meaningful yet not as costly as was indicated here earlier. C.A.M.P.S. had the full backing of the regional people in the Labor Department. It was kind of exciting. We were overcome to have pulled it off. The only trouble we had, and they fought us tooth and toenail, was from the local C.A.M.P.S. commission and the interagency people who tried to tear us up. And I have never figured out why they gave us such a bad time.

Howard Dellon

This is the direction in which C.A.M.P.S. ultimately will move if the President's plans come to function. C.A.M.P.S. is going to be the name of the game. It will be controlled out of the governor's office, however powerful or weak he may be politically.

Jack Thiele

I think what will happen is the restructuring of the organization at the local level to get more employer input. If they can rebalance that input, it could help overcome that point.

Ray Marshall

I'd like to add a question which relates to the one phrased earlier about various kinds of subsidies to motivate employers. One, how important do you think local subsidies really are in industry location in your area or in your experience? And two, do you think there are certain kinds of subsidies that would be more useful than others? Suppose, for example, we tried to get the employers to locate in rural areas through various kinds of subsidies. Would, say, training subsidies, transportation subsidies, or some others, be more effective, or do you think they're of any value in industrial development plans?

J. D. Little

Generally, our clients over the years have been categorically against subsidies. No subsidy could control or be good enough over any period of time to keep a plant out of bankruptcy if it were going into bankruptcy anyway. Some things which are expected, and are perhaps a matter of division responsibilities, are training programs that will qualify workers to meet a plant's entrance standards. One in which an employer doesn't have to do the job of education and training at his own expense after he gets them into the plant. This has become more or less accepted. There has been a great fight on this industrial revenue bond as a type of a subsidy, and most of our people generally feel that's not a subsidy as such. It's just a method of financing. They don't want to see anybody, the local community or the state, put out money that is more or less buying a plant or buying their location from another state. It's simply a matter of the responsible thinking that goes into it and what makes the plant successful.

Ray Marshall

Do you include in that tax relief or tax schedule such as the kind of thing contemplated for rural development to make credit available to people in rural areas. Do you think those things are likely? Take, for instance, the tax relief provisions in many states. Is that important?

J. D. Little

I think we have to detail and define them a little more. But generally among business management people, subsidy is a word to avoid. I've rarely seen industrial plants make or change decisions based on a subsidy, unless you define manpower training costs or something like that as being a subsidy.

Jack Thiele

Obviously, Ray, big companies don't need it and it was pointed out that they're probably opposed to it. From the private citizen's standpoint, from what we've seen in Arkansas, it tends to attract the kind of guy who is looking for something for nothing, and will probably run a very poorly-managed concern anyway. In the long run, it's going to cause you more problems in the community than this type is going to help solve, and he's the kind of guy who's not interested in development of the community or the area. He wants to take something out of it, and move on. He'll probably wind up in Mexico or South America.

Howard Dellon

Ray, you and Mr. Thiele raised different comments, a dual problem, if you will. You talked about training people and I presume you would prefer institutional as opposed to on-the-job type of training. Yet, as Mr. Thiele pointed out, the concern is with vocational education. The problem is, how do you plan far enough ahead to do this institutional type training when the job mix and the job demand change so radically over such a short period of time. So the O.J.T. is really the only kind of training that may train people for the job that is.

J. D. Little

You might have had some experience for this in North Carolina, Jack. There are a number of states taking this approach, and I think it is a very self-evaluant for right now and the immediate future to set up the capability to train for a new plant while the plant is under construction. It's surprising how few states are doing that right now.

Robert Hunter

What is the time frame? I know it must vary tremendously, but in terms of rule of thumb as a consultant? What's the usual time frame between the decision that we're going to create a plan and selection?

J. D. Little

That can vary depending on the size, plans, and a lot of other things. There are too many parameters to give you anything general, but I'd say six months is a rough average.

Jack Thiele

I'm really an O.J.T. man. We're deeply involved with National Alliance of Businessmen, and that's got its problems. I think the fundamental principle of hire first is very, very important. We made a major mistake in the '60s with our C.E.P.s (Concentrated Employment Programs) and some of these other things by raising expectations through training and causing higher levels of frustration. We're talking about higher levels of frustration now, because there is no opportunity at the end of the rainbow. I feel very strongly that the O.J.T. approach is by far the strongest. The problem, again, is that of employers who have the resources in terms of in-house staff.

Howard Dellon

I'm willing to accept the subsidy of federal or governmental involvement in meeting the costs of it, but I saw something different in what the two of you were saying.

Jack Thiele

It's evolving. As a matter of fact, employees initially make mistakes. In the developing state they seem to go for these technical centers and a strong vocational-technical program. Then that evolves into a comprehensive community college program, which I happen to feel in the long-run is going to be the way to go. It's good to have a comprehensive community college supporting an O.J.T. program, so when the employer needs supportive kinds of things from that local school, he can come in and do it for me, but I'm running the program in my own shop.

Mark Erenburg

I have a generalized comment. I hear today two people who are strictly accountable for their actions telling us, almost very proudly, that they don't have the real hard data, but that they go by rule of thumb and it works. They still have their jobs. At the same time, we're asking them questions, as a rule of thumb, about how do you do this and that? It seems to me that we're all hung up on questions of statistical reliability and some sort of cult or mysticism surrounding hard numbers. We're afraid to turn out, let loose and put on the table all the rules of how we do it because we're afraid it's not statistically reliable. So we hide them. This agency won't tell us exactly what they base their decisions on because it's not exactly correct. I just wonder if the biggest problem of information in rural markets isn't more a fear of being statistically in error than how we get things that work. I wonder if maybe the emphasis ought to be put simply on the table, how we're really doing it, and hope our colleagues look around and make some generalizations from what does work. These gentlemen have rules of thumb that obviously work. I think it was Mr. Little who said, "I don't have any hard data, but I would think that plants do this and that and something else." And I don't think he's ever going to tabulate statistically what percentage of plants do it this way or how what percentage of plants do it that way. He's got a feel for it. We all have a feel one way or the other, why don't we put it on the table?

Cora Cronemeyer

Do you agree with his fundamental principle that your rule of thumb really works? I mean that you probably do this as well as anyone, but perhaps lack of exact science means that the failure rate would be rather high. Do you think it works?

Jack Thiele

May I say, I don't think this country needs to ask anything else, particularly at the federal level, other than "What the hell are we doing?" and "Why are we doing it?" Just those two questions.

J. D. Little

I would like to echo a comment I heard in the back. I see so many people gathering all types of data, but one not knowing what the other has gathered nor really going about to find out. Some sort of coordination is needed to head everybody in the same direction for the same purposes toward the same understanding of what they're after.

SESSION III

LABOR MARKET INFORMATION NEEDS OF CURRENT AND POTENTIAL JOB SEEKERS IN RURAL AREAS

LABOR MARKET REQUIREMENTS AND INFORMATION FOR VOCATIONAL EDUCATION AND CAREER PLANNING IN RURAL AREAS

John Teeple
National Planning Association

It is interesting to be discussing vocational education here because its stereotype is the opposite of manpower data and information planning. Several of you have stressed that data regarding cities are good yet are very poor for rural areas. During the past 10 years, many people have said that vocational education is primarily a rural phenomenon and not very effective in the cities. I won't go into that, except to say that a look at some of the modern area vocational and technical schools in our rural states compared to some of the vocational education in the inner cities may explain why this stereotype has developed.

Just before the session ended, Mark Erenburg made the $64 statement—that we need manpower information. We do need information about the labor market in order to do certain kinds of planning in education and determine what kinds of jobs we want. However, it is very easy to get hung up on the reliability of the statistics. Vocational education has, perhaps, a good approach to this question concerning "how reliable should data be." The impetus for vocational education administrators at the state, and more recently on the local level, has become a concern with manpower data as opposed to information about jobs, etc.

The 1968 vocational education amendments stated that programs must be relevant to the labor market. In interpreting this legislation, the Office of Education came up with a state planning guide which is not a planning guide at all, but a compliance document. This planning guide asked: how many people were currently employed in certain occupations? How many will be employed in five years? What is the unemployment rate among your youths? Vocational educators were asked this question! Never before had they been required to respond at this level of detail.

Two years after those amendments were passed and the state plan guide had been going out to the states and the states, in turn, had been asking their local areas to provide them with the information so they could fill out these state compliance forms, the Office of Education decided to make a study to see how well it was going. We picked six areas, three urban and three rural. Questions were: What kind of information do you use in planning, particularly what kind of manpower and demographic data; how do you use it; what kind of data would you like to have; and how do you currently make decisions if you don't have the data? Well, certainly they do make decisions. Vocational education has been developing new programs (some would say) but, nonetheless, new and different programs over the last 25 years. And they have done it without manpower statistics.

One difference we found between the way rural and urban educators plan programs is that the latter, who have some statistical information in a systematic form, are inclined to use it occasionally. The man in the rural areas who may have a university study; access to an employment service which tells him something about unfilled job orders he does know how to deal with; or perhaps a state report on occupational employment, is more accustomed to receiving information on a face-to-face basis. This is a hypothesis on my part, but it was my impression that administrators feel the best way to get data about employment is to directly ask the guy "How many are you going to employ next year?" And they are much more likely to trust this kind of information than they are a sheet or statistical data sent down from state headquarters or received from a university study, (which they may have some reason to suspect).

For reasons discussed this morning, we know some data is not that good. And they are beginning to think so too.

Compared to the urban vocational planner, we have found that decisions are made and appropriate new programs are developed and based largely on a close relationship with technical advisory boards, which you don't find too often in the big cities. A fairly close relationship is maintained and in many cases a personal knowledge, with the employer and the employee representatives and interestingly enough, rather frequently with ex-students.

This was particularly true in Pike County, Kentucky, where something like 90 percent of the graduates of a post-secondary vocational education school don't work in Kentucky because there are no jobs there. These boys go up to Dayton and Columbus, Ohio, and the director of the school keeps in touch: "Yes, I am working in Dayton and they need 20 more machinists up here; send me some of your class." That's pretty good job-matching. It's not the kind we are talking about; it doesn't use a computer, but perhaps instead of analyzing the method we should analyze the information, and in this case the information gets to the right place at the right time. And all the kids who graduate from this particular school, the male vocational technical school in Kentucky, do well. This is true, by the way, of most post-secondary vocational institutions we found in rural areas in spite of the fact that high unemployment exists. Even though we don't know quite what that means in a rural area, most of the kids with some kind of vocational education background do get jobs.

Why then do they need more data? One of the reasons is that if our current Commissioner of Education, Sidney Marland, flies his idea of career education, a much larger proportion of our high school students will be taking some kind of skill training. However, it may not be called that. And as the high schools begin to graduate a larger portion of the trained supply, the tolerance between the number of jobs I had and the number of qualified graduates I am throwing out into the world every year becomes smaller and smaller. Then we'll need better information.

I mentioned only briefly the kinds of data available to rural areas: occasional special studies of employment by university personnel; unfilled job data from employment services, which, is hard for them to interpret; occasionally, and only beginning in some states, statewide data broken down by county on employment, generally not carried to job openings but just on employment levels for a wide range of occupations; and if they're interested, national B.L.S. statistics. What do they need? The following is partly what I think they need, and partly what they have told me they need.

In general, what they seem to want and will be required to have if they try to fill out these state guidelines appropriately are several kinds of data: data on occupations which has been translated into something called OE codes, which is a translator from a DOT occupational category to an instructional program. Without receiving information in a form they can relate to programs, there is very little they can do with it except fill out a form on a page. They should have for all occupations, for which secondary or post-secondary vocational education is pertinent, some indication of employment growth; that is, at least a volume and a percentage growth, probably over a five-year period.

Let's discuss this five-year period. We were talking this morning about current data, and we were saying that the vocational educator needs projections considering the current setup of the system. If I were to begin a program this year, perhaps a two-year program on the secondary level, it would take me a year to get the budget for it, probably two years to get the curriculum developed, and two years for the first class to get through. So it is the job opportunities five years from now in any area that I have to aim for. If I plan new programs which take me five years to get in place and graduate, based only on today's data, I am automatically five years behind. So the vocational educator needs, in some form, projections about five years hence, at a minimum. Five may be maximal, because to go beyond that period may be crystal balling.

Finally, what he really needs are data concerning job openings. That is, essentially a definition of actual opportunities for his students. Employment levels tell him nothing unless he knows something about attrition.

There are some rather extreme examples, but one can find occupations with falling employment levels and high job opportunities, because of a very low labor force and a very high replacement demand. Looking only at the employment level change, he would not be getting a fair picture of future job opportunities at the future date. Finally, he needs evidence of probable supply, because it really doesn't help him to know that there are likely to be 1,000 job openings per year in the three counties surrounding him unless he knows how many people are currently being trained in other institutions. You may find a need for 1,500 secretaries, but when you look at the post high school and high school programs, you find that 2,000 a year are being turned out now. So you must know what the supply level is going to be, then do your planning based on the difference between estimated supply and estimated demand.

When vocational education only graduates 20 to 30 percent of the students and when, except for very economically depressed areas, most of their graduates can get jobs, they can continue to plan the way they do now. However, if I were a vocational educator and if the feds wanted to put this requirement on me, and if I am going to be graduating a lot higher proportion of the labor market needs than I am now, this is the kind of data I would like to have: five-year projections, job openings including attrition stated in a form that I could easily translate into my programs, and some indication of supply.

A very important variable for the head of a school in a town of less than 20,000 is: "what do my *students* want; what do they want to get into?" And this means the same qualitative type of information must get to the guidance departments and into "world of work" or work study programs. Unless students' preferences are based on a fairly realistic picture of the labor market, students will choose areas in which there are no jobs. Just because there is labor market opportunity does not mean students will seek training in that area. There have been very good examples of this; again in Kentucky. They ran an air-conditioning mechanics program for seven years, and graduates found good local jobs at very good pay. One year no one enrolled in the course, but the jobs were still there. The information about where the opportunities lie must get to the guidance people as well as the planners.

LABOR MARKET INFORMATION NEEDS OF RURAL LABOR FORCE PARTICIPANTS

Norma F. Ausmus
U.S. Department of Labor

The development and dissemination of Labor Market Information (LMI) has long been a major concern of the U.S. Employment Service (U.S.E.S.), the part of the Labor Department that I represent. Our involvement dates back to the mid-1930s when the Wagner-Peyser Act, the legislation that initially established the U.S.E.S., directed us to promote a national system of employment offices, furnishing and publishing information of value as to employment opportunities.

Over the years, responding to the pressing operational needs of the federal-state employment security system, we have pioneered in the development of some of the major labor market analysis tools. Included are tools for occupational analysis and classification, for unemployment and job vacancy estimating, and for occupational projections.

Prompted by manpower imbalances of the World War II and Korean War periods, we developed tools to classify labor market areas in terms of relative adequacy of the labor supply and to make local area projections of manpower needs.

Later, the manpower legislation of the 1960s vastly expanded demands for occupational projections to ensure that Manpower Development and Training Act (M.D.T.A.) and other federally-financed occupational training offered reasonable expectations of employment.

For many years, LMI produced by the U.S.E.S. was directed primarily to program planners, administrators, economic analysts, and other researchers. So, until recently, we have not been able to say that the LMI produced has been particularly geared to the needs of labor force participants themselves.

Today, we are faced with many indications that in the 1970s, the Employment Service (E.S.) system may be charged with providing job opportunities information to a vastly expanded job-seeking clientele. Clearly, our emphasis increasingly must be on reaching job-seekers and other persons who need information on what the job and training opportunities are and how to get them. We call this kind of LMI "Job Search Information."

Our shift in LMI priorities can be traced back to a number of specific developments.

First, in the mid-1960s came the overall emphasis on improved manpower programs to aid the disadvantaged. New approaches and experimental projects were begun to reach the disadvantaged more effectively, increase their employability, and to develop jobs for them.

Soon afterwards, the 1968 Amendments to the Manpower Development and Training Act directed the Secretary of Labor to establish a comprehensive system of Labor Market Information. Congress emphasized that the LMI should be *comprehensive*, that there should be a *system*, and that LMI appropriate to *state* and *local* needs should be developed. This legislation, for the first time, set up a funding source for experimentation with a *systematic* approach to developing LMI for the disadvantaged.

As we entered the decade of the 1970s, in an effort to streamline local office operations and to better serve the disadvantaged, the E.S. undertook an experiment to establish a Comprehensive Model—or COMO—for local office operations. The objective was to restructure services to better meet individual applicant needs. A self-service Job Information Service was provided for the job-ready. E.S. staff, thus freed from serving those able and willing to serve themselves, could be reassigned to the other two areas of applicant service--(1) the Employability Exploration and Job Development Service for those needing some assistance, and (2) the Employability Development Service for those needing intensive help—counseling, training, etc.

This experimental COMO model was established in ten SMSA's: Hartford, Syracuse, Baltimore, Pittsburgh, Memphis, Milwaukee, San Antonio, Wichita, Phoenix, and Tacoma—and in one rural area—Moses Lake, Ephrata, Washington. In each area, a self-service Job Information Service was established. In each area, at the same time, the LMI function was revitalized and redirected to provide the applicant-oriented job search information which is so vital to the success of the entire COMO approach.

In the COMO areas we had, then, a ready-made laboratory to install and test a project to develop a system for the development and dissemination of job information for the disadvantaged.

Consequently, in the fall of 1970, we established such a program in the ten COMO SMSA's. We call the project the "Ghetto Job Information (GJI) project." While project staff was not assigned to the one rural COMO, it was understood that the project would make available to that area technical assistance on LMI materials. As a matter of fact, many of the prototypes that have been produced already as part of the project by the largest COMO cities are adaptable, we believe, for use in smaller cities and in rural areas. Items geared to specifically rural needs will also need to be developed.

Just about a year ago, the U.S.E.S. made a commitment to install in each Job Bank city and state, a Job Information Delivery System (JIDS), modeled after the successful self-service Job Information Service of the COMO model. The establishment of an LMI component in each JIDS was undertaken. GJI projects in the COMO cities and states have been called upon to provide technical assistance and to share with JIDS installations in other cities and states, the prototype Job Search Information materials developed in the COMO cities to assist labor force participants find a job or make a career choice.

That traces, very briefly, the course of events that prompted us to assign priority attention to the development of Job Search Information.

Such job search information can be looked at in terms of three broad categories:

(1) Information about jobs and training opportunities immediately available through the E.S.

(2) Leads to job and training opportunities not listed with the E.S.

(3) Other job-related information. Included is a variety of information which would be of assistance in job search activities, such as occupational career guidance materials, job-finding tips, information on transportation facilities, community support services such as day care centers, and wage rate data.

Let's look at these three broad categories of Job Search Information as they relate specifically to the needs of rural labor force participants, making note of what is being done, or could be done, to meet these needs.

Information on E.S. Job and Training Opportunities

One of the primary needs of job-seekers in rural as well as urban areas is for information about current job openings and training slots available through the E.S. within reasonable traveling distance from their homes. New workers, in particular, need to be fully informed about what training is available and how to get into it. They need information on M.D.T.A., Job Corps, W.I.N., and Operation Mainstream training programs. They need also to be told which employers will not insist upon fully qualified workers, but will hire trainees in specific occupations.

Efforts are being made at this time to see that all such job opportunity information is made available through the E.S. system for rural as well as urban residents.

The primary source of information on E.S. jobs and training immediately available to job-seekers is the computerized E.S. Job Bank system. As a supplement to providing Job Bank printouts and *microfiche* for the direct use of job-seekers, we are also preparing newsletters for job-seekers highlighting E.S. job and training opportunities. These handouts are for distribution within the local offices and through other suitable community agencies.

As part of our Job Search Information program, in cooperation with Job Bank staff, we have designed a Job Bank printout which is readily understandable to applicants. We also have underway an experiment to install and evaluate special category Job Bank books. These are Job Bank books produced separately in order to enhance the usefulness of Job Bank information to specific job-seekers. What I mean by this is: Job Banks are now arranged in the way we have traditionally arranged all of our operational--as well as guidance--materials. That is, in terms of occupational job titles or codes from the *Dictionary of Occupational Titles*. However, many people may look for work in an other than strictly occupational context.

They may, for example, seek jobs in terms of location of job--in a nearby town, in neighboring rural areas, or even, perhaps, in a major city. They may also seek jobs in terms of education or experience required--what kinds of jobs are available for people with less than high school education? Some may seek jobs in terms of the duration of the job--is it temporary, or permanent, part-time or full-time? Yet others may be interested only in jobs offering on-the-job training.

We now have the capability of producing separate books to meet the needs of these special categories of Job Bank users.

Although presently Job Banks serve primarily urban areas, there is one rural Job Bank now operating in the State of Washington, with four delivery stations in rural areas—including the Moses Lake, Ephrata area—of northcentral Washington. This rural Job Bank provides daily listings of job openings in the area for rural residents and weekly summaries of the openings listed on the Seattle-Tacoma Job Bank.

There are also presently five statewide Job Banks in operation across the country (in Maine, Vermont, Rhode Island, Delaware, and Oklahoma) which provide job listings from the entire state to all E.S. local offices and satellite centers. Such a mechanism will allow job-seekers in rural areas in the state to go to their local office or E.S. outreach facility and find out what jobs are open across the state for which they might qualify.

Present plans call for statewide Job Banks to be operating in all 50 states in the near future. This should be a big step forward in the provision of manpower services—including LMI—in rural areas. Where experimental rural manpower projects, such as the Smaller Communities Program, Operation Hitchhike, and Ottumwa-type projects are working to provide more and better manpower services to rural residents, the Job Bank will be an effective tool for them to be armed with.

Two other Job Bank-related projects are presently underway which will be aimed at providing exposure to E.S. job openings across the country through E.S. local office facilities. The first of these originated as a tool to aid in the counseling of veterans returning from overseas. It consists of monthly summaries of all E.S. unfilled openings, listed by occupation and by area of the country where the jobs are listed. These listings will provide information on the number of jobs received during the month, open at the end of each month, and unfilled for 30 days or more, as well as average wages for those openings in a given occupation in a given Job Bank area. Such data would provide a good indication of where a person seeking work in a particular occupation might find the best possibilities. All Job Banks in the country should eventually have access to such information.

The other effort being carried on in the area of providing nationwide job listings is in a modernized Inter-Area Recruitment system to make job listings from across the country available to all E.S. local offices and other Job Bank-equipped facilities on a daily basis. With such a system in operation, any job-seeker, rural or urban, would have access to jobs listed with the E.S. in any area in the country.

Such systems do, of course, raise other difficulties for those who might not have immediate mobility options; but it cannot be denied that job information will be available on a scale never before possible.

Leads to Jobs and Training Not Listed With the E.S.

The second broad category of job search information, leads to jobs and training opportunities not listed with the E.S., is equally as vital and probably more difficult for the Employment Service to provide. We all know that many employers fill job openings without ever going to the Public Employment Service, so we need ways to provide both rural and urban job-seekers with information that will assist them in an independent and comprehensive job search effort. Although I am not aware of any great efforts thus far in this field in rural areas, there has been some work done along this line as part of our experimental project for providing job search information to inner-city disadvantaged residents which might be adapted to meet rural needs.

In some areas, the weekly or monthly job information newsletter handout designed for job-seekers in addition to describing opportunities available through the E.S., provides local area information on what plants or business might be hiring at the time, which employers are interested in hiring trainees including apprentices, opportunities available through federal, state and local civil service, plans for new commercial construction in the area, and notices about seasonal jobs which might be open. We visualize that distribution of such newsletters might be carried on through local facilities such as grocery stores or co-ops, local clubs, community and church groups, Cooperative Extension facilities, and libraries, as well as through E.S. local offices.

Another tool to provide leads to jobs not listed with the E.S. is a directory of employers in the local area with information on what occupations they hire in. Such listings might give persons who cannot find an E.S. job opening suited to them an idea of which other employers they might contact on their own. Likewise, directories of apprenticeship programs in the rural area or nearby towns might provide alternatives to the job-seeker.

Other Job-Related Information

Provision of the third broad category of job search information, other job-related information, is an even greater challenge in rural areas than in the urban job market. Rural residents—especially the rural poor—are likely to be even less sophisticated in the ways of the world of work than the disadvantaged in the inner-city. Rural job-seekers and their friends, neighbors, and relatives probably are acquainted with a relatively few kinds of occupational choices. The need is great to fill this gap by providing a wide array of occupational career guidance information covering jobs found in agricultural, agribusiness, and urban pursuits as well.

Some materials have already been developed particularly suitable to low-level readers such as mini-guides and cartoon booklets. Work has begun also on the development of agricultural and agribusiness occupational guides for the use of persons needing to make career choices, and for E.S. and school counselors.

There is also a great need in rural areas for materials with tips on how to find and keep a job and on supportive community services, unions, apprenticeship programs, and educational opportunities, including availability of scholarships.

Whereas in urban areas information might be needed *about* the available public transportation, day care, or other community facilities, in rural areas, the problem is more often *providing* the services themselves to the job-seeker. We all know that such problems exist in rural areas to such an extent that lack of transportation or other services may prohibit a rural resident who might otherwise qualify for a job from accepting or keeping his position. Efforts for the present might be made in providing information on how car pools might be organized, or what the possibilities for a cooperative bus system might be. Persons might also be given information on driver education to enable such cooperative ventures to work. E.S. local office personnel should be encouraged to act as part of the backing force for such efforts.

Day care is another type of job-related support service often lacking in rural areas. Where community facilities do exist, information about these facilities should be available to all interested women. Where day care centers do not exist, information could be made available about how a small-scale cooperative child care venture might be undertaken. The E.S. can also lend support to other local agencies working on such a project.

Other job-related information which must be made available to rural residents is information about basic education programs which might help the job-seeker to develop his employability. This is strongly backed by the figure that in 1970, 45 percent of farm residents, 25 years and older, had 8th grade, or less, schooling.

The rural labor force participant often has had little experience with job-seeking, and could be provided with extremely helpful information on job interviews, filling out employment applications, how to read newspaper want ads, and how to conduct one's self on the job once hired. Such job tips might well be passed on to job-seekers through the use of audiovisual materials as well as through handouts in E.S. local offices and outreach stations, and in community facilities such as churches, ethnic group organizations, schools, and 4-H clubs.

In urban areas, information on local unions and how to get into them is provided to job-seekers to assist them in their employment search. As rural residents move into more urban areas, such information will become more important to them.

Conclusion

Many of the experimental and on-going manpower delivery programs of the Rural Manpower Service are geared especially to the provision of comprehensive manpower services, including job search information. Coordination of efforts through such programs should help to provide the quality of job search information that is required to meet the needs of rural labor force participants.

Area Concept Expansion, or Ottumwa-type projects, with their satellite offices to supplement the delivery of services from the area office are excellent outlets for information about all phases of job search. Likewise, remote rural residents who are not within reach of an E.S. local office now have the opportunity for exposure to manpower services through already existing institutions contracted under Operation Hitchhike. The Concerted Services in Training and Education programs which are now going on have promoted the development of job supportive education for rural residents who might benefit by it. Projects operating under the Smaller Communities Program also provide an excellent opportunity for the dissemination of job information along with other E.S. services for rural residents. Rural Concentrated Employment Programs are also aiding in the provision of manpower services needed by a great number of rural labor force participants.

We need, obviously, to arm the potential job-seeker in rural areas with the most comprehensive job search information possible to enable him to explore the possibilities that do exist. The establishment of a JIDS in all of the over 100 Job Bank areas is well underway. The JIDS has already been put in place in some 35 areas and funded in an additional 30 areas. JIDS should be a powerful impetus to the development and dissemination of LMI in forms useful for job-seekers. As Job Banks go statewide, manpower services in all areas within the state, including, of course, the rural areas, will benefit.

LABOR MARKET INFORMATION NEEDS FOR MIGRANTS AND POTENTIAL MIGRANTS

Myrtle Smith
Mississippi Labor Mobility Project - STAR, Inc.

The purpose of this paper is to share with you the types of informational needs found to be important in the experience of recruiting, placing, and relocating over 2,000 unemployed disadvantaged workers in Mississippi, Tennessee, and Arkansas. Our focus is on the labor market informational needs of those who migrate to achieve occupational mobility and, especially, labor force mobility.

Background of Mississippi Labor Mobility Project

Since 1965, the U. S. Department of Labor has been conducting Labor Mobility Projects under contract to public and private organizations. At one time there were 35 agencies operating 61 projects. Now, however, only three projects remain in existence: Mississippi, North Carolina, and Michigan.

In an effort to test the feasibility of subsidized relocations by exploring some of the problems involved in the relocation of unemployed workers, Systematic Training and Redevelopment (referred to as STAR, Inc.) of Jackson, Mississippi contracted with the Department of Labor to administer a Labor Mobility Demonstrational and Experimental Project within the State of Mississippi, commencing June 27, 1966. The Project is state-wide, with extended efforts to parts of Tennessee and Arkansas, allowing coverage of geographically separated sources of labor supply and demand.

To date, the Mississippi Labor Mobility Project has relocated 2,225 workers; and made 1,080 local placements at an estimated project cost of $584.00 per placement. From this experience, sufficient data have been acquired to allow basic research and development in another contract period.

My position with the project is that of Deputy Director and Project Operations Coordinator. As Operations Coordinator, I coordinate and control the flow of jobs and applicant information, as well as the flow of funds and staff services to relocatees.

Informational and Other Services Needed by Rural Migrants

The problems of the rural disadvantaged unemployed include the conditions of structural unemployment, low employability, and lack of financial resources. Their relatively low levels of employability, along with fewer job opportunities for which they can qualify, set the limiting conditions for occupational mobility, including jobs involving migration. The quality and quantity of available jobs is dealt with through programs for economic development and job restructuring. Employability is the primary concern of manpower training programs and other educational and training institutions.

Traditional migration flows have been from the depressed areas of the rural South to the urban and industrial areas of the North and West. Subsidized relocation projects have sought to divert these flows to centers of economic growth *within* the South. This procedure overcomes problems of structural unemployment and lack of financial resources for relocation, but tends to separate the relocatee from the sources of social support (i.e., friends, family, neighbors, churches, service agencies, etc.) available in rural areas and even in traditional migration destinations.

Labor market information needs, then, include the requirements and the feasibility of relocating and adjusting to non-traditional destinations, as well as job availability information and assessment of the potential relocatee's qualifications. Additionally, for the disadvantaged to act rationally on such information typically requires financial assistance in preparing for and effecting job interviews, the relocation itself, establishing a stable pattern of work, and leisure activities. More employable and experienced potential migrants may require information only on available jobs and/or financial assistance.

Labor market and related informational needs of the rural disadvantaged may be grouped according to the phases of relocation. These phases are: 1) pre-relocation needs; 2) relocation needs; and 3) post-relocation needs.

The pre-relocation phase is focused on the decision of whether to relocate, and for preparation for the move including obtaining a job commitment. Often a relocatee is required to begin work so soon after a successful job interview that he does not have time to attend to moving his family, or sometimes to even return immediately to his area of origin (i.e., he may have to start work on the day of the job interview).

Relocation needs are concerned with the logistics of transporting possessions and dependents and maintaining them enroute until permanent housing arrangements can be established in the area of relocation.

Post-relocation needs center on the establishment and maintenance of an adequate routine of work and non-work activities.

> Experience has shown that these three phases of informational needs are *unique to subsidized relocations*. However, if subsidized relocations never function as a service in the overall manpower system, these informational needs of the rural disadvantaged will still be pertinent.

Pre-Relocation Needs

Contact must be made with the potential relocatee if he is to know about and benefit from a relocation service effort. This involves the performance of recruitment and screening.

Recruitment is the process by which potential relocatees are made aware of and are brought into contact with relocation services. Numerous approaches can be used. A sophisticated approach would be to publicize the service by bringing out-of-the-area employers in for positive recruitment or to appear on television or radio using visual aids to illustrate job area communities and employment opportunities. This approach assumes that such publicized communication is easily accepted and readily understood.

A more practical approach would be to employ such techniques as door-to-door outreach, the quest of referrals through friends, community organizations and other agencies. In any event, how the potential relocatee is to hear about and be persuaded to be interested in relocation service must be thought out and provided for if he is to benefit from it.

Acquaintance is made with the potential relocatee through screening. Variables such as age, size of family, indebtedness, welfare dependency, degree of literacy, health, amount of property owned (if any), previous employment history, and previous training are factors of significance in the screening stage. These factors bring into view the decision to relocate, which involves:

1) The kind of jobs available for which the relocatee can qualify.
2) The kind of income needed to justify acceptance of a job in a distant area with possible higher costs of living.
3) The extent to which he is financially able to relocate, considering:
    a. arrangements for pre-employment interview expense and separate maintenance, if applicable;
    b. arrangements necessary to dispose of old debts, terminate old leases;

    c. arrangements for moving family and furniture; or furniture rebuilding; moving expenses if a moving company is used;
    d. arrangements to get the family car, if applicable, in shape for the trip;
    e. arrangements for transportation needs in area of relocation, if personal car is not available; and
    f. arrangements for locating suitable housing, payment of rent or down-payments in buying a home, utility deposits, establishing credit, etc.

4) The need for community services in the area of relocation:
    a. transportation, public or private;
    b. schools, day care facilities;
    c. food stamps, welfare, or other such assistances;
    d. training opportunities whether OJT or institutionalized;
    e. medical and dental services; and
    f. legal, financial, and personal counseling services.

It should never be assumed that the disadvantaged rural individual will actually give consideration to these needs when deciding to move. He considers only employment information (availability and locality of jobs, and wage rates) to be important. Only when attempting to act on this information does he concern himself with the "how's" of moving to the job area. Because answers are not available, employment information is of little consequence.

Accordingly, for relocation to serve its purpose, the screening process must articulate and isolate those problem areas so that adequate support can be implemented to offset what could be a traumatic adjustment problem. Any malfunction in this area will hinder the effectiveness of relocation services.

If the relocatee is to avoid the inefficiencies of searching for a job after relocation, then relocation must begin with a job commitment. This requires job development activities culminating in a job interview.

The computerized job bank is a prime source of job leads. Through this system, rapid collation of detailed job opening information is made available rapidly and transmitted equally as rapid from area-to-area. From this service we learn such things as what jobs are available with what wage rates, where the jobs are located and the number of openings per position. However, is even this information sufficient? Is this service available in the rural, depressed areas? Is the information reaching those individuals located 15 miles, or more, outside city limits? And, most importantly, will these jobs be available by the time the disadvantaged individual raises enough money for the trip to the job area?

Job development, as the term implies, is the process through which jobs are selected to *compliment the individual's profile of needs and problems*. In many cases, this involves working with employers not only in the interest of relaxing entry requirements, but also in the interest of developing the ability to understand and accommodate the special needs and problems of rural migrants. Part of this consists of acquainting employers and supervisory personnel with the social and human implications of migration; part of it consists of obtaining employer assistance and support in resolving some of these problems.

When a firm job offer has been received from an employer subject to a personal interview, pre-employment interview expense allowances should be authorized for a personal interview trip. In addition to taking care of this formality, care should be taken to see that the potential relocatee has an opportunity to see available housing and the community at large during the pre-employment interview trip. Lodging and transportation arrangements should be made by staff, primarily, for this allows the potential relocatee to concentrate on the job and the possibility of relocation and avoid concern for these logistical details.

Relocation Needs

The rural disadvantaged require direct financial and personal assistance, as well as information.

Transitional services, as the term implies, are those services made necessary by the physical movement of the relocatee and his family, if applicable. Included are all the various activities and services needed to make the transition as smooth as possible ranging from relocation counseling and orientation through the payment of allowances associated with the physical movement to the job site.

In short, information for relocation needs can best be identified as cost items with personalized staff assistance.

When the relocatee has accepted a job offer and a reporting date for entry on the job has been agreed upon, the cost items with which the relocatee may need financial assistance are:

1) The cost of travel for himself and his family to the relocation site;
2) Living cost for himself and his family while enroute to the relocation site or while awaiting the arrival of his furniture;
3) Rent and utility deposits or down-payments;
4) Costs associated with acquiring an automobile for transportation to the job or with putting a currently owned automobile in dependable running order;
5) Costs associated with acquiring a house or mobile home;
6) Costs of storage of furniture, if applicable, or costs of transporting household goods to the area of relocation;
7) Costs of becoming minimally equipped with furniture and appliances appropriate to urban living;
8) Payment of old debts to release liens of furniture and other personal property;
9) Separate maintenance costs when, due to the lack of available suitable housing or other cause, the worker must relocate in advance of his family;
10) Living expenses during the period until the first check is received;
11) Supplies, clothing, and equipment needed for school and the job.

Assistance with these needs is often the pre-requisite to successful adjustment to the new job area.

It is often necessary to help the worker get to the job for the first few days, to assist in enrolling children in school, to provide transportation, and assist with shopping. For this reason, follow-up is important to the success of the relocation effort. It includes contact with the relocatee, his family, and employer. Effective follow-up enables the staff to deal with problems and assist in finding solutions before the problems become reasons for returning home.

Post-Relocation Needs

In a new community it is most difficult for an individual, especially the rural disadvantaged, to slice through the maze of agencies, organizations, and regulations concerned with services to find those services he needs and arrange to receive them. Accordingly, staff in the job area should be prepared to help relocatees identify those service resources in the new community so that adequate referrals can be made to meet the needs on a timely basis. The services needed may include legal, financial or personal counseling, medical and dental services, information about day care facilities, training opportunities, food stamps and/or other welfare services.

Failure to resolve these needs on a timely basis may result in the relocatee's giving up and returning to the rural area where things are more familiar.

Labor Market Information, Communications and Organizations

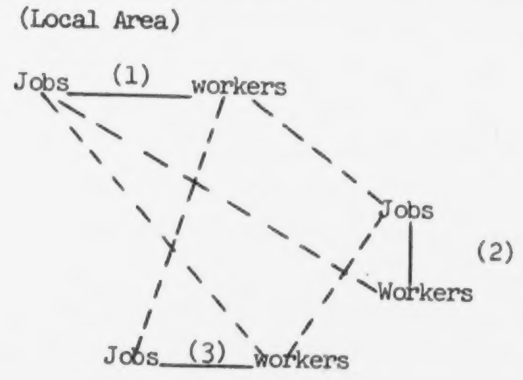
The utilization of job bank facilities has the effect of multiplying placement possibilities for the rural unemployed, particularly when urban job markets are involved with rural areas of high unemployment to form one geographic market complex, as illustrated by the following:

MODEL I

LOCAL PLACEMENTS ONLY IN ONE AREA: Jobs (1) workers = one area, one placement pattern

MODEL II

WITH RELOCATION SERVICES: GEOMETRIC INCREASE IN PLACEMENT PATTERN POSSIBILITIES:



(Local) (Area)

3 Areas,
9 Placement
Patterns

This is only suggestive; any area has numbers of jobs and workers, but the illustrated relationship holds, assuming other factors equal (size, industrialization, etc.). Adding urban to rural placement opportunities would mean a much sharper increase in opportunities for rural areas than would simple linkage among rural areas only.

To help the disadvantaged, such a flow of information must be matched by a flow of staff services and financial assistance which also spans the geographic labor market. The coordination and control of such services, in turn, requires a complimentary structure of staff responsibilities and communication. Also, of course, planning and preparation such as training in rural areas and job development in urban areas, must be coordinated.

Summary

The focus of this paper has been on labor force mobility of the rural disadvantaged, when this involved migration. Informational needs concerning the feasibility of obtaining jobs extralocally, moving to that job, and adjusting in the new environment have been detailed. It was noted that information must be supplemented with financial and personal assistance if the disadvantaged are to utilize labor market information efficiently. It was suggested, too, that for the disadvantaged, job conditions, low employability, and community conditions are at least as important as the availability of information on such conditions, in restricting their participation in the labor force and their standard of living when they do participate. Finally, it was emphasized that the experience of Mississippi Labor Mobility Project is founded on subsidized relocations, but the informational needs are pertinent regardless of whether the migration is subsidized.

In conclusion, this paper has focused on disadvantaged rural migrants because this is the group with which the Mississippi Labor Mobility Project has primarily worked. Migrants who are not disadvantaged tend to have less, rather than different, needs than the disadvantaged. For the more employable and resourceful migrants, efficient labor market information alone would doubtless be a significant force in rationalizing their occupational mobility and in increasing their income and productivity.

Those who are already occupationally mobile may be expected to act on available information, and, once a job is obtained, to build their social adjustment on the economic and interpersonal base provided by the job. For the disadvantaged, the problem is to become occupationally mobile and to build their social adjustment on the basis of minimum-paying jobs at the same time.

APPENDIX

Nature of the Mississippi Labor Mobility Project

General Purpose

The mission of the project was originally to "explore the problems and potentials of financial and related relocation aid to unemployed workers; to obtain information on unemployed workers' interest in relocation, operational problems of matching geographically separated unemployed workers and vacant jobs, and individual worker problems and organizational difficulties in developing successful relocation; and to develop practical experience with various possible means of overcoming obstacles to effective relocation;" and later to "explore the feasibility and value of varied approaches and procedures for providing relocation assistance to unemployed and underemployed persons living in rural areas as a means of helping to develop guidelines and other knowledge required to facilitate and make more effective an anticipated expansion of mobility assistance services as part of Department of Labor manpower programs."

Specific Objectives

Since its inception, the general purpose of the Mississippi Labor Mobility Project has involved work directed at three categories of specific objectives:

1) Development, implementation, and refinement of a basic system for providing relocation assistance. Developmental and implementation activities have been required at the original implementation of the project, and thereafter, at the time of its expansion to tie in with a Concentrated Employment Program in an adjacent area of Arkansas, and most recently, in response to industrial expansion on the Mississippi Gulf Coast. Internal analysis and refinement has been a continuing aspect of Project work.
2) Demonstration and basic reporting of the effectiveness of the relocation procedures for placing applicants.
3) Analysis and explication of Project operations to present the technical know-how and insights gained in a form useful for others interested in the provision of relocation services.

As may be seen, earlier objectives were focused on development and implementation—"how-to" aspects of identifying supply and demand areas, developing internal staff, communications, coordinating procedures, etc., and establishing basic contacts with other agencies, community members, and employers. These efforts provided the basic fund of experience necessary for future contributions to the development of relocation services.

Later, attention turned to the problem of conceptualizing basic models for an operational mobility organization and for the linkage of relocation with other manpower services. Focus was also directed at basic principles and procedures relevant to any relocation effort. These and other efforts culminated in the development of a Department of Labor "Worker Relocation Service (WRS) Handbook" (draft) and in contributions to Department of Labor policy guidelines for a Worker Relocation Service.

The last contract period, from March 1, 1970, through September 30, 1971, has been directed at the following specific objectives:

4) Linkage with the Arkansas CEP (Concentrated Employment Program):
    a. Development of an effective relationship to the CEP;
    b. Extension of relocation assistance to the CEP;
    c. Identification and review of problems in CEP relocation;
    d. Development of models and linkage to a CEP-type operation.
5) Continued development and refinement of state-wide operations within Mississippi:
    a. Continued support to the heavy industry located in Pascagoula, Mississippi, with trained MDTA welders and shipfitters from Project work areas providing a primary source of relocatees, and limited participation (due to limits of staff and funds) with the Mississippi Delta CEP;
    b. Coverage of expanding industries in northeast Mississippi (Tupelo, Mississippi area) and new JOBS 70 Projects in this area;
    c. Further study the requirement for inter-agency coordination and communications.
6) Provide technical assistance to DOL:
    a. To develop model mobility operational guidelines, while undergoing actual operating expenses for underdeveloped rural areas. Development of such an operational "handbook" will include attention to the following subjects:
        (1) Under what conditions (and for what types of workers) financial and other assistance for relocation should be provided;
        (2) How the various types of assistance may be coordinated with other manpower assistance measures (or be used in complementary or alternative ways);
        (3) The organizational structure and system necessary to provide various types of relocation and related assistance to a single

rural concentrated employment program; or a larger geographic section (e.g., several continuous states) offering more economic alternatives.

b. By testing the operational linkage forms proposed in the WRS draft handbook.

c. Providing technical assistance for developing a national worker relocation service operational guideline.

In another contract period beginning March, 1972, work will be directed at these specific objectives:

1) Research and identify those variables which lead to success or failure of worker relocation; and

2) Analyze the total costs and benefits of a worker relocation program.

As may be depicted, the earlier objectives provided expertise in the areas of operations and technical assistance. The latter objectives will provide the research capacity needed to interpret the findings and determine the effectiveness of the overall project.

LABOR MARKET INFORMATION DISSEMINATION AND DECISION-MAKING AMONG CHICANO MIGRANTS

Mark Erenburg
Sangamon State University

Introduction

Heretofore, material has been written about the economic, social and cultural facets of migrant farm labor.[1] Recently, information has been gathered and research conducted on problems of the migrant farm labor market and attempts at migrant relocation and retraining.[2] Much of this work has concentrated on the Chicano (Mexican-American and most notably the Texas-Mexican) migrants who reside in Texas and who compose the mid-continent migrant stream, the largest of the three migrant streams in the U.S. Not only has it been discovered that precious little is known *about* the specific behavior of this group in farm and nonfarm markets, but also that precious little is known *by* this group about the labor markets in which they operate. The purpose of this paper is to explore specifically this latter general finding, concentrating on information dissemination and decision-making.

The U.M.O.S. Migrant Labor Market Project

With the support of the Wisconsin State Employment Service and the U.S. Department of Labor, United Migrant Opportunity Services, Inc. (U.M.O.S.), an O.E.O.-funded migrant relocation and retraining program based in Milwaukee conducted an in-depth survey of Chicano migrant and relocated migrant households in Wisconsin and Texas. The project seeks to determine the accuracy, reliability, scope, methods and channels of information and its dissemination, and the use made of information by Chicano migrants in labor market decision-making. The study also seeks to discover barriers to mobility, besides lack of information, which inhibit worker movement within the farm labor market and between this market and the nonfarm market for labor. Survey data collection was completed in late 1971 and is now undergoing analysis. Observations which follow are based on preliminary evaluation of this raw information.

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[1] *See U.S. Senate, Committee on Labor and Public Welfare, Subcommittee on Migratory Labor, 1969 Report: The Migrant Farm Labor Problem in the United States, 90th Congress, 2nd Session, 1969 and the series of papers entitled, "Problems of Migrant Workers," Proceedings of the Industrial Relations Research Association, December 1970 (Madison, Wisconsin: IRRA, 1971), pp. 12-32 for an overview.*

[2] *U.S. Senate Committee on Labor and Public Welfare, Subcommittee on Migratory Labor, Migrant and Seasonal Farmworker Powerlessness: Parts 7-A and 7-B, Manpower and Economic Problems, 91st Congress, 1st and 2nd Sessions, 1970; Paul B. Miller, The Role of Labor Market Institutions in the Lower Rio Grande Valley of Texas, Report Submitted to Office of Manpower Research, Manpower Administration, U.S. Department of Labor, August 1970 (mimeo); Abt Associates, Inc., An Assessment of the Experimental and Demonstrative Interstate Program for South Texas Migrants, Report Submitted to Manpower Administration, U.S. Department of Labor, December 1969; Mark Erenburg, "Migratory Labor: A Review of Labor Market Problems," Proceedings of the Industrial Relations Research Association, December 1970 (Madison, Wisconsin: IRRA, 1971), pp. 12-20.*

Respondents were selected randomly from two populations and exhaustively from a third. A sample of 120 Chicano migrant households was selected from the population of such households which traveled to Wisconsin in 1970, residing permanently in rural (Zavala and Star Counties) and urban (Hidalgo and Cameron Counties) areas of south Texas. A sample of 75 relocated migrant households was drawn from lists of all known relocated households compiled by U.M.O.S. Finally, an attempt was made to exhaustively interview the migrant households which had relocated to Wisconsin and subsequently returned to Texas. Time and financial constraints limited this group to 54 respondents. Interviews were conducted by Chicano interviewers in Texas and Wisconsin. In addition, the principal investigator conducted extensive open-ended interviews with interviewers, migrants, relocatees, and former relocatees. The project was designed to ascertain the perceptions and behavior of Chicanos in the farm and nonfarm labor markets rather than the perceptions and behavior of migrant employers and various state Employment Service personnel.[3]

The Migrant Farm Labor Market

Migrant information sources included crew leaders (36%), employer representatives (30%), friends and relatives (20%), previous arrangements directly with employers (9%), and the Texas Employment Commission (T.E.C.) (3%—all crew leaders). Information obtained from crew leaders or friends and relatives was previously obtained from other friends/relatives (20%), the employer(s) or his (their) representatives (20%) and the T.E.C. (26%). Thirty-five (35%) percent of the migrant households received information directly or indirectly from the employer, 27% from crew leaders, 23% from friends/relatives and only 13% from the T.E.C. Almost one-half of the sample (47%), however, received information directly from or in the presence of a T.E.C. representative on an average of two times before leaving the state. In spite of the "official" nature of these contacts, 38 percent of the sample found their jobs outside Texas other than previously described. Wages (47%) and housing conditions (33%) were most frequently reported as at variance with previous information. Of these respondents, 85 percent indicated that they had received incorrect information while the remainder indicated conditions differed from general expectations.

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[3] *For this perspective, see Paul B. Miller, op cit., Abt Associates, op cit., and Mark Erenburg, "A Study of the Potential Relocation of Texas-Mexican Migratory Farm Workers to Wisconsin," Unpublished Ph.D. dissertation, The University of Wisconsin, 1969.*

Not all respondents were told about wages when given initial job information. Nineteen (19%) percent were merely told a job existed. The remainder did receive information about wage rates. In addition, 15 percent also found out about housing conditions, 5 percent were told about length of season and 4 percent about crop conditions. All but 9 percent of the sample who asked about length of season did not ask for any information other than that offered. Only 26 percent of the migrant sample found out more about their jobs in the average three months between first contact and beginning of job. Fifty-eight (58%) percent received information about wages. In addition, 42 percent found out (or found out more) about housing, 21 percent about crop conditions, and 37 percent miscellaneous. Even without this additional information, however, all respondents indicated they would have migrated.

Crew leaders and the T.E.C., previously identified as major information sources and subject to supervision and/or regulation, are less significant labor market institutions here.[4] Fifty-six (56%) percent of respondents never saw information about jobs in writing with 71 percent of these responding that they "took a chance" when asked how they knew a job really existed. Inaccurate information was given to almost 40 percent of the migrants in the sample. Yet, migration continues year after year with migrants committed to move on meager information. Nearly 20 percent of the sample knew only that a job existed. Fully 61 percent of the sample knew nothing of crop conditions or length of season, the two major factors which combine with wages to determine actual income.

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[4] *Miller*, _op cit._, pp. 2-22.

It appears that Chicano migrants receive and ask for little information about farm jobs beyond their mere existence, wages and housing conditions, and do so annually in spite of divergence between previous information and actual job conditions. And migrants do not seem to think detailed information about income is necessary in making migration decisions. While 85 percent of the sample indicated wage information was necessary for their decision-making, only 40 percent indicated that the income-related information about crop conditions and length of season was also necessary.

One possible conclusion to be drawn from these data is that migrants find themselves in a low (or no) income trap. Their first and only major concern is a chance to earn some income. If migrants consider the wages "satisfactory," they must feel that the probability of earning some income exists, and that the more subtle information pointing to exactly how much they might earn is not particularly relevant or necessary. Given this orientation, migrant suggestions for improved information dissemination (72% indicated outreach including home visits and group contacts, 11% mentioned media and personal letters), and improvement of the Employment Service role in the farm labor market (50% indicated more and better personnel) seem disfunctional. Their major concern beyond the existence of a job at a particular wage rate is for their personal well-being both on the job (26% mentioned working conditions as important to the migration decision) and off (70% mentioned housing conditions as necessary for decision-making).

The migrants' general suggestions for improvement of "the migrant labor situation," however, are indicative of a keen understanding of their employment problems. Of those responding, 54 percent suggested development of permanent jobs in Texas.

Migrants and the Nonfarm Labor Market

Information pertinent to training and relocation opportunities can best be examined through the parallel development of responses of Relocatees (R's) (N=75) and Former Relocatees (FR's) (N=54). Both initially moved to Wisconsin for similar reasons. Both groups indicated the desire for a job or a better job as their major reason for relocation. (Relocatees: 84%; Former Relocatees: 49%)[5] Only 7 percent of the Relocatees and 41 percent of the Former Relocatees, however, knew about jobs, training opportunities and housing prior to their arrival. Of those with some knowledge, 80 percent of the Relocatees and 68 percent of the Former Relocatees knew something of job opportunities while 40 percent of the R's and 62 percent of the FR's knew about the housing market. Relocatees learned most often from friends and relatives, Former Relocatees mostly from crew leaders. Fifty-nine (59%) percent of the FR's and 93 percent of the R's learned about these things only after arrival, both from U.M.O.S. (56% and 54%, respectively) and friends and relatives (36% and 37%). Once again, many Chicano migrants acted on limited information without consulting authoritative sources, this time for permanent relocation of large households over a distance of 1,800 miles.

Both groups indicated that the most important information necessary for deciding about relocation was a description of job opportunities (45% of all Relocatee responses and 46% of all responses from Former Relocatees) and housing possibilities (24% and 32% of all responses, respectively). Relocatees indicated the use of media (62%) and personal contacts (28%) as the most effective means to communicate relocation opportunities to migrants. Former Relocatees indicated the same, but in different proportions (29% and 47%, respectively). The different emphasis is probably indicative of differing propensities for risk-taking or levels of motivation. Almost all Relocatees (93%) moved without prior information, while only 59 percent of Former Relocatees moved uninformed. Relocatees, by virtue of their remaining in Wisconsin may be demonstrating a higher level of motivation than Former Relocatees. They may be willing to rely to a greater degree on more impersonal forms of communication. Further analysis of the project data should indicate factors differentiating the two groups and form the basis for more effective, specifically directed information dissemination programs.[6] Migrants may have the lowest propensity for risk-taking or level of motivation of all groups, giving some explanation to the fact that 59 percent of their responses indicated use of personal contacts and 32 percent of responses showed media as suggestions for dissemination of information about relocation.

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[5] *Despite the difference in proportions, the distributions of all reasons for moving given by the two groups are not statistically different.*

[6] *Elsewhere, I have argued that the world view or degree of Anglo acculturation as reflected in urban or rural residence in Texas forms the basis for a priori differentiation of migrants and relocatees. The same hypothesis in the instant case will be tested. Mark Erenburg, "A study of the Potential Relocation of Texas-Mexican Migratory Farm Workers to Wisconsin," op cit., pp. 101-107.*

Perceived and realized barriers to relocation were identified by the two groups. Only a few barriers, however, might be overcome with improvements in the quality of information or means of dissemination. Relocatees saw the cold weather in Wisconsin (78% of total responses) and distance from Texas (11% of responses) as major barriers, while Former Relocatees saw the same barriers in different proportions (41% and 40% of responses, respectively). Eight (8%) percent of R and eleven (11%) percent of FR responses did indicate lack of information about jobs as a barrier. Fifty-nine (59%) percent of the migrant responses indicated no barriers at all after the migrant season was completed. Retention of relocatees in northern industrial centers through the use of improved information dissemination appears difficult, since 69 percent of FR's indicated that nothing could make them return to Wisconsin. They did indicate that better jobs (34% of responses) and better housing (30% of responses) were two means by which others could be induced to remain in Wisconsin. An improvement in information dissemination would probably induce migrants to remain in Texas unless the quality of jobs and housing could be improved and effectively communicated and accepted by migrants.

Ten (10%) percent of the migrants saw their education, skill and language abilities barring relocation. To some degree, both Relocatees and Former Relocatees attempted to overcome this barrier through participation in training programs. Eight (8%) percent of Relocatees and 31 percent of Former Relocatees were so enrolled. These Relocatees learned about the programs mostly through friends and relatives, while most who didn't enroll learned through U.M.O.S. Twenty-six (26%) percent of Relocatees, however, did not know about training opportunities at all. For all Former Relocatees, most learned through U.M.O.S., but 27 percent didn't know about training at all. As might be expected, a little more than 40 percent of migrants didn't know about training opportunities either.

Most Relocatees (43%) thought that a description of a variety of training programs was necessary before any training enrollment decision could be made. Forty-eight (48%) percent of Former Relocatees responded similarly. Both groups mentioned money as important in decision-making (33% and 29%, respectively). Neither group thought that guarantee of job availability was significant decision-making information (13% and 9%). Migrants, however, thought it was very important (48%) along with information about program benefits, specifically stipends (43%). While not particularly emphasizing money benefits, both Relocatees and Former Relocatees (76% and 73%) indicated they would have to be offered such benefits before they personally would enroll in a training program. These data are not inconsistent. Migrant relocation might be encouraged with dissemination of information about program benefits and job possibilities (hopefully with some guarantee). Upon relocation, information emphasis can be shifted to full descriptions of the types of training programs available with further emphasis on the immediate monetary rewards the programs offer. Of course, considering the information presented earlier combined with the necessity for offering migrants' job guarantees to induce relocation with subsequent training, an alternative plan with training and job development in Texas might also be appropriate.

Means suggested for information dissemination about training again reflect a difference between Relocatees and Former Relocatees. Relocatees suggested media (68%) and personal contacts (28%). The proportions for Former Relocatees were 43 percent and 39 percent. Face-to-face communication of information where recipients can judge not only the message but the communicator is preferred by those who may have a lower propensity for risk-taking, lower level of motivation, and probably more experience with unmet expectations. Again, further analysis is necessary to test this hypothesis with its implications for more optimal resource use in information dissemination.

My discussion has been necessarily brief, due to time, space, and data constraints. No attempt has been made to evaluate the merits of various manpower strategies for alleviation of the labor market problems of Chicano migrants. Relocation and training in a northern industrial center have been used only as vehicles for understanding Chicano migrant information and decision-making patterns.[7]

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[7] *See Mark Erenburg, "In Aid of the Mexican-American: A Proposal to Aid Mexican-American Farm Workers," in U.S. Senate Committee on Labor and Public Welfare, Subcommittee on Migratory Labor, Migrant and Seasonal Farmworker Powerlessness, op cit., pp. 4775-4781, for a further discussion.*

Perhaps the best suggestion for revision in the information dissemination patterns existent in the migrant farm labor market would be to completely withdraw all government participation. Because of low income levels, migrants do not use nor do they seek sophisticated information. Knowledge of the existence of a job with adequate housing is usually sufficient information upon which to make a decision about migrating even if past experience underscores the unreliability of this information. Additionally, 88 percent of the migrant sample has indicated that they could continue being migrant workers without the assistance of the Employment Service. Over one-half would rely on past experience, 6 percent on direct employer arrangements, 6 percent on crew leaders, and 15 percent on friends for job information. Twenty-two (22%) percent wouldn't know exactly what to do but still maintained no need for outside assistance. The expense of developing more sophisticated information and better delivery systems would be compounded by the enormous expense required to raise migrant income levels to a place where the new information would become relevant. If not this, the time required to acquaint migrants with new information and new channels of delivery is extremely significant, given the migrants' reliance on past experience for information gathering and evaluating. Technological unemployment will not wait.

Resources could be better employed in the socioeconomic disaggregation of the Chicano migrant farm labor force with more selective application of information dissemination programs aimed at relocation and training. If the preliminary observations presented here hold true after further analysis, information delivery systems can be restructured to take account of differing susceptibility to information sources, and information disseminated can be better directed to potential relocatees and trainees. But the weight of the data indicate not that essential information is either lacking or being disseminated poorly for decision-making by migrants, but that essential program components such as training stipends, guaranteed jobs after training, and the availability of suitable (re: cost and personal taste) housing are lacking. When research consistently indicates that these are major factors in Anglo/urban relocation and training decision-making, it would seem appropriate that they should receive priority consideration when examining Chicano migrant labor market adjustment to technological change as well.

DISCUSSION OF SESSION III

Audience Member

Regarding Chicanos, what were the employment quotations and how effective were they in indicating they didn't want more information on salary, etc. Were they so desperate any salary would do? What was the employment potential there? You didn't indicate this in your talk.

Mark Erenburg

I'm sorry, I assumed a great deal of knowledge on your part about migrants, Chicanos, and their problems specifically. Unfortunately, I would say zero, this year especially. These people simply do not work at all over the winter months and leave the area in the spring because they have no money.

Ray Yeutter

Did they say that the quality of information from the public employment service has changed over the years? Would it have been better five years ago?

Mark Erenburg

We really didn't ask about trends in the quality of information, so I can't say specifically.

Howard Dellon

Did they indicate they had actually received information from the Texas Employment Commission (TEC)?

Mark Erenburg

Yes.

Howard Dellon

The majority of people might have said that the TEC was around, but it was not the implication. What you mean is they actually got information directly.

Mark Erenburg

Directly and indirectly; 13% of their information came from the TEC. The crew leaders all got information from TEC and passed it along.

Howard Dellon

Crew leaders?

Mark Erenburg

Yes, those we talked to. Whether they actually got information or simply checked with TEC because of the annual worker plan, we don't know.

Ray Marshall

There has been quite a change in the use of the annual worker plan over the last two years because of the housing requirements and other things; was your work before or after?

Mark Erenburg

It was just finished.

Ray Marshall

I see. So you did it during the period when they weren't using the TEC.

Mark Erenburg

We interviewed from April '71 to December '71.

Ray Marshall

That probably explains why the crew leaders got the information and the people didn't. As a result of the change in the system, fewer migrants may be going to TEC than did previously.

Mark Erenburg

I really didn't expect to find a lot of people going there, because it is primarily a two-stage information dissemination process, very few individual families who are traveling in a crew will go themselves.

James Esshaki

The annual worker plan should have been destroyed during the last two years.

Bob Hunter

I interviewed in similar fashion in Colorado and Montana three years ago. They would have told you 90% of TEC's information was wrong and that they wanted to stay away from it as much as possible.

Ray Yeutter

I strongly disagree with that. Three years ago if a migrant came to Michigan he would have received a copy of the order signed by both the employer and the Michigan Employment Service representative.

Ray Marshall

Was the information from TEC less accurate than the others or more?

Mark Erenburg

There was no indication of any difference, one way or the other. I think the feeling about TEC was on the basis of negative reactions. On a historical basis one never finds it exactly as promised, no matter what you've been told. But one always wants some sort of a guarantee that it will be as expected.

Bob Hunter

But the fact that it didn't matter in the long run is also relevant, even when you can provide specific kinds of information. We had a wonderful situation when we are really trying to work with migrant crews. What size crews were you interviewing and that does make some difference?

Mark Erenburg

A variety. A sample of migrant families was stratified at random.

Bob Hunter

We attempted to work with about six crews ranging in size from 70 to 140 people at Fort Lumpton, Colorado. I can recall very clearly sitting down and figuring out the cost of going to Oregon versus the five days of work they found when they got there. When it was all said and done, they should have gone to Wisconsin, but went to Oregon anyway. Even though we clearly showed how much money they had and asked why, they said, "well, makes sense."

James Holt

A large element in the failure of the annual worker plan during the last couple of years is the ineffectiveness of trying to combine a counseling or helping agency with a police force. The police have never been very good at counseling criminals to not commit crime. They are much more effective catching them afterwards. I am certain a lot of the attitude you got from migrants and the crew leaders themselves is a reflection of this. But I don't think it makes very good sense to conclude that we would be better off not providing job information through the Employment Service to migrants and their crew leaders. The system hasn't functioned as well as it might have and I think this last reason I mentioned is one of the important ones. I have seen too many crews that wound up somewhere up in Pennsylvania, New York State or New England on the strength or weakness of rumor or other information. Had the Employment Service been contacted, they could easily have discredited the rumor.

Jim Booth

What size information base is needed, geographically, by the schools and the people in vocational technical programs?

John Teeple

It all depends on the level and location of the school, like in any other rural area. You can't generalize. In Nebraska, a secondary school would probably want the county or several adjacent counties. Nebraska is breaking down its labor market information by county and sending it out to individuals. There is no reason to send information on all counties; you can send him a few adjoining counties unless he wants the whole state. In some remote rural areas, you may want data on the whole state. Kids who know they are going to have to move somewhere have more options that way. On the post secondary level, it is dependent on how many post secondary institutions are located in the state. The technical college at Hastings serves 21 counties. On that level you probably would want statewide information by counties.

Jim Booth

Would you suggest a minimum base if we were to assemble it in units?

John Teeple

I don't think you can use a rule of thumb. The vocational education administrator would know where his kids have traditionally gone to get jobs. For example, consider a man who has the eastern sector of Wisconsin and Eau Claire. To plan vocational programs, he needs Minneapolis-St. Paul SMSA, some of his kids will go to that area. In that case, the Wisconsin State data are not as appropriate as the adjoining state data and there is no reason why he shouldn't be able to get it. The labor markets don't credit boundaries that easily, as we all know.

Maurice Hill

In your experience in Kentucky, there was an agreement several years ago that the employment service was to supply this kind of information by a format agreed upon between HEW and the Employment Service. Did you find that information available in Kentucky, Nebraska or New Jersey?

John Teeple

There was a traditional agreement when the vocational education amendments were written in 1968, and I am sure some of you can remember Congress had intended that the Employment Service get $2 to $5 million in order to work up this information for the vocational education administrator. Unfortunately, they never got the money. Kentucky is beginning to develop and put out current labor market data. But what is important is that these guys need projections. It takes them five years to put a new program in place.

Louis Levine

I get the impression that very little labor market information does get to rural vocational education, and that much of it is of a very fragmentary character and wouldn't make much difference if it did get to them. Is there, in fact, any reflection that there has been any change in either the proportion or the character or content or curriculum or the equipment or the character of the teachers in agricultural or rural vocational education in terms of current labor markets and even more, anticipated labor markets?

John Teeple

I think to start, you have to say what you mean by "agricultural program." I have run into agricultural programs that don't seem different from auto mechanics programs in some schools. The same equipment etc. is included under one monicker. Its like saying a technical and industrial program—if we don't look any further than that—its probably a cosmetology course. Agricultural production programs have not increased but fortunately they haven't decreased. A lot of new programs have been added, but when you summarize the data, agricultural enrollments go up, but not in agricultural production programs—other kinds of programs.

Louis Levine

But when labor markets are very tight and machine shop occupations are in great demand with many skill shortages were there, many rural vocational education teachers in those occupations teaching training in those occupations? Yet their students were getting jobs in industry paying three times what they were getting paid as teachers or have they been teaching for the last 20 years and couldn't compete for such a job?

John Teeple

No, we found a lot of young teachers in vocational agriculture programs.

Louis Levine

Well, they were dedicated.

John Teeple

Not all the vocational programs in rural areas are agricultural. As a matter of fact, I didn't find an agricultural program in Pike County, Kentucky—a lot of technical and industrial programs.

Louis Levine

I'm talking about machine shop occupation training in rural areas.

Has that expanded tremendously since 1963 to give us a longer span?

John Teeple

It hasn't expanded too rapidly and by the way, nationally, I don't think it should. In some local areas maybe it should. Nationally, a machinist is not in a very rapidly growing occupation at this point.

Louis Levine

We are not talking about machinists, I'm talking about machine shop types of occupations. Those people working with metals and tools, etc.

John Teeple

I think that has been increasing. Again, this is based on fairly short experience, I haven't been in this for ten years.

Dan Sturt

What is the availability of the Department of Labor job search information, is it by various states?

Norma Ausmus

Yes. State agencies do produce these items.

Dan Sturt

In other words, if someone wanted them, they would......

Norma Ausmus

......write to the state agencies.

Audience Member

I have a question about this vocational education curriculum. What kind of a relationship did you see between what the local taxpayer perceived as job opportunities and the kind of support that existed in relationship to job market information? Consider production agriculture, for example. Did local people perceive this as an opportunity and are they willing to support it? It seems to me they might not be very influenced by job market information in making frequent decisions.

John Teeple

That's true. In a lot of rural areas, a vocational agriculture program is parallel to a college preparatory course in an eastern suburb. A lot of kids go through vocational agriculture and then right on to college. A vocational agriculture course on the secondary level may be the thing a kid goes into if he wants to go to the state A & M college. Many people say, and this is partly vocational education's fault, that all vocational education must be occupational training. Five percent of vocational education is consumer education, which used to be called home economics. I'm not saying this is wrong, but let's not pretend that part of it is skill training. When I spoke about the job structure of vocational education, it is really a matter of consciously preparing people for jobs--not just giving them what they think is good education. There is a difference. The technical and industrial, health, and technical programs are really the ones most oriented toward jobs. Again, vocational education is not one thing, it's many things.

Glenn Nelson

Myrtle Smith, can you follow up on these people so you have data on those that were relocated early in the program, for instance in 1968-69, so you can tell how many have stayed or moved back, and their income levels, etc.?

Myrtle Smith

I failed to give you the approximate figure of how many we moved. Since we started, we have made local placements of about 1,000. Dr. Howard Rosen visited us, and in redirecting our efforts he asked us to tell him exactly not only how many people returned or stayed, but the reasons why they stayed and returned. This is going to involve hiring some highly qualified economists and socio-economists. But we've not had too much luck in getting these people on our staff; they're asking for a lot of money. We have to go through a mining process to provide a print-out on those variables that point up success or failure. I'd like to say we've had retention lately. And I can't say that a successful relocatee is defined as moving to a job for a standard length of time. We were told to identify success, first, on the basis that they stayed in a job at least two months after placement. Then it was moved to six months. Under the redirection it will move to a year after placement. At the two-month level, two out of every three stayed. After six months, it was one in four. I don't know what we'll find at the one-year level.

Louis Levine

I had occasion to read your report for another project and thought it was very, very interesting. But one question that particularly interested me was the emphasis you placed on counselors and their relationship to relocation, adjusting to the community. Do you find the counselor is the kind of person with whom you would entrust knowledge about jobs? Are they acceptable to employers and are they helping in relocation, or are counselors so oriented toward their clients that they're ineffective in dealing with employers?

Myrtle Smith

When I first started to work for the program, my idea of a counselor was someone who was very sophisticated and had all of the necessary training in that particular area. But I must say with very strong emphasis that in order to communicate with the kinds of people we deal with, you have to have a person who can play a two-fold role. He must be able to communicate on the employee's level and at the same time go through that level to communicate with employers. We call this involving the leadership of the poor. We have to find people who come from these areas, but who have achieved an education level that will still enable them to communicate with their people and with the employers. Without this, I don't think it would work.

PART II

SUPPLIERS OF RURAL LABOR MARKET INFORMATION

SESSION IV

THE CENSUS BUREAU AS A SUPPLIER OF INFORMATION ON RURAL LABOR MARKETS

MANPOWER DATA FOR THE RURAL POPULATION

Conrad Taeuber
U.S. Bureau of the Census

The first question which needs to be raised in a discussion such as this relates to the concept of the rural population. Is it intended to rely on the standard definition of rural which underlies the Census tabulations? Is the concept embodied in some recently enacted legislation which treats as rural any county not within a standard metropolitan statistical area (SMSA), plus any county within such an area which does not have an average population density of at least 100? Is the concept to be in terms of areas which are within SMSA's and those outside? A number of other definitions have been incorporated into specific public programs, including as rural all incorporated (or unincorporated) places with a population of less than 5,000 or less than 10,000, thus including a substantial number of places which are classified as urban under the normal Census rules.

The Census rules classify as urban any place, incorporated or not, with a population of at least 2,500, plus the densely built-up area adjoining a city of 50,000 or over. The "urban fringe" includes both incorporated places and unincorporated but densely settled areas. All population not classified as urban is rural. The rural population, in turn, is subdivided into rural farm and rural nonfarm segments.

The classification of rural farm is based on residential rather than occupational criteria. The fact that a person lives on a place which meets the minimum definition of a farm does not necessarily imply that that person, or the principal breadwinner in the family, is engaged in agriculture. The 1964 Census of Agriculture reported that about 46 percent of all farm operators reported some work off the farm, and that one-fourth of all persons identified as farm operators worked off their farms for a total of at least 200 days. Their share of the total number of farm operators has been increasing—in 1929 only 6 percent reported 200 days or more work off the farm, and in 1949 that percentage had been 17.5. Many persons living on farms are not engaged in agriculture. Many persons engaged in agriculture—both operators and farm laborers—do not live on farms. Commuting to the farm to carry on a gainful activity is almost commonplace in some parts of the country.

So far as the data from the decennial Census are concerned, they can be made available for any definition of rural and urban which takes advantage of the areal units recognized in the Census. These are counties, plus cities, towns or villages, and townships or other similar subdivisions of counties. The Census classification of urban, rural farm, and rural nonfarm is carried through many of the Census tabulations, and any analysis is facilitated if the underlying definitions are used. However, with some additional effort, other areal definitions could be utilized. As will be pointed out below, with the public use sample there would be even greater flexibility.

It is assumed that the term "rural manpower" relates to persons of working age who live in rural areas. In some of these areas the majority of the working population may commute to a nearby metropolitan area and utilize the rural setting only for residential purposes. The SMSA's, as defined, include a substantial rural population and a large part of those persons gain their livelihood from activities directly related to the economy which is centered on the large city. Although only about 12 percent of the population of SMSA's is classified as rural, the 16 million persons involved constitute 30 percent of the total rural population. Is the rural manpower under consideration only that 70 percent of the national total not living within an SMSA? If rural manpower is taken to mean only those persons in rural areas who are not already involved in the gainful activities of the central city, the identification of these people and the description of their characteristics becomes more difficult, but this could be done from the Census data with some additional effort. Data on commuting to and from rural areas can be secured through tabulations of the Census records. Brian Berry's *Daily Urban Systems* define areas of commuting to the central cities. Many of them extend their boundaries beyond the SMSA boundaries and this would leave less to the rural component.

There are, however, some problems in regard to annual or more frequent data such as those from the Current Population Survey (CPS). It has not been possible in that survey to identify the sample units in terms of a continually changing rural and urban dividing line. For purposes of that survey it has been necessary to maintain the basic area identification for some period of time. This has meant that during the 1960s the data for metropolitan and nonmetropolitan areas were based on the definitions established with the data from the 1960 Census. There is no ready way of extending the boundaries of an urbanized area, or of recognizing that places which were rural at one time have grown enough to come into the urban category, or that the reverse has occurred. To maintain a rural category on the basis of boundaries which are several years old can lead to substantial errors in interpretation. As American society has developed, there has been a continual transfer of territory from the rural to the urban classification, with very little compensatory movement in the opposite direction.

The Current Population Survey

The CPS provides data nationally and regionally about the entire civilian noninstitutional population. It involves interviews at approximately 50,000 households each month. The sample is nationwide, and includes appropriate proportion of rural or nonmetropolitan households. It gives information about the labor force status of each person 16 years of age and over in the household, and, for those who are employed, information is available on occupation and industry as well as on such personal characteristics as age, sex, color, relationship to head, and educational attainment. Some information is also provided concerning persons 14 and 15 years old. Once a year, the scope of the survey is expanded to obtain information on migration, work experience during the year, and personal and family income.

Through cooperation with the Department of Agriculture, the survey conducted each December now includes a series of questions identifying all persons who have done any agricultural work during the preceding 12 months, regardless of what the individual may be doing at the time of the interview. Those reported as having done any agricultural work are asked additional questions to ascertain the kind and amount of work which they did, the earnings from this source, and whether this work involved movement to another county. The extent of their nonfarm economic activities is also obtained. The reports based on these data take advantage of the fact that information is also available on the standard set of personal characteristics which are regularly collected in the CPS. The reports also provide information on the characteristics of full-time, part-time, and intermittent or occasional workers, as well as on earnings from agricultural and nonagricultural activities.

The 1970 Census

Data available by county from the reports of the 1970 Census of Population include: number of persons by age, sex, and color or race; the years of school completed for persons 25 years old and over; employment status of persons 16 years of age and over, by sex; the occupation and industry of men and women 16 years old or over; the income of families, and the number of families with incomes below the low income level. All these data are available for the rural farm and rural nonfarm portions of states and counties.

Information is also available concerning the number of persons who have had some vocational education, the number who are veterans, and the number of persons who are disabled or handicapped, separately for those who are in the labor force and those who are not. More detail on these matters will be provided on a national and regional basis.

An important element in any analysis of rural manpower is the extent of migration to and from specified areas. The volume of the migration, the net effects in terms of age, color, sex, family organization, educational levels and employment characteristics are all important elements for an understanding of the situation and trends in any given area. In the 1970 Census of Population, migration is defined in terms of the residence five years prior to the Census date; i.e., April, 1965. It is planned to provide again the cross-tabulation of migration between state economic areas, showing the volume of the exchange of population between any pair of these areas.

About two-fifths of all counties lost population during the 1960s and two-thirds of these counties had also lost population during the two preceding decades. The data provide a basis for the analysis of changes in population in small towns and cities, as well as the characteristics of the population that remains in an area of outmigration. The relatively large proportion of elderly persons in areas which in the recent past have had a high rate of outmigration is only one of the phenomena clearly revealed by the data now at hand.

Analysis of the areas which lost population as well as those which have gained during the last decade or last several decades can provide essential information for planning ahead.

The nonmetropolitan areas which gained were likely to have a college or university, a growing military reservation or a favorable location in relation to an interstate highway. There are many other instances in which the location of a plant providing substantial employment was the focus for a substantial in-migration. Very little is known, however, concerning the processes involved in translating a new employment source into significant in-migration, or of specification of the areas from which the migrants to such a plant were drawn. The hope of holding present population or of attracting newcomers to an area is often merely a hope rather than the result of some clearly defined process.

For counties which have at least 400 Negroes, or 400 persons of Spanish heritage, the data are repeated for these minority groups. They also show occupation by sex, earnings for selected occupational groups, the percentage of persons in the labor force by age and sex, weeks worked in 1969 and the number of men and women employed in agriculture by class of worker, i.e., whether an individual is self-employed or a wage or salary worker in private or in government employment.

The basic information is available in greater detail for the state, separately for metropolitan and nonmetropolitan areas, and for the rural farm and rural nonfarm portions of the state. Here the number of occupational and industrial categories is increased; workers are classified according to the number of weeks they worked during the preceding year, information is provided on the last occupation of the experienced unemployed, and there is some indication of the extent of mobility into and out of the labor force. There is also information on the amount and sources of income.

Information which appears in the printed report is available also in the form of summary tapes. Typically, the summary tapes contain more detailed information than is available in the printed pages; for example, it would be possible from the tapes to provide information concerning the age, sex and color composition of the population of rural places; i.e., those with a population of less than 2,500.

Another major source of information for the analyst will be found in the public use sample. This consists of a sample of 1 percent of the Census returns, without any identification (i.e., name and address do not appear); the degree of geographic detail is limited in order to avoid individual disclosure, and some information appears only in coded form. There is no possibility of individual disclosure in these materials. However, they do provide a significant potential for detailed analysis of groups of specific interest. These data cannot be related to specific rural areas; the geographic identification is necessarily a very broad one. The predecessor sample for 1960 has been widely used, and there is every indication that the 1970 sample also will serve as an important tool for research.

A new sample has been drawn from the 1960 data, and put into the same format as the 1970 sample. As a result, comparative studies for 1960 and 1970 have been facilitated.

As part of the 1970 Census, a supplemental survey was carried out to secure information on employment related problems in areas which included relatively large proportions of persons with low incomes. Although the survey was concerned primarily with employment problems in urban areas, it also included selected rural counties in Alabama, Appalachia, Arkansas, California, Missouri, New Mexico and North Carolina, and the Zuni Reservation in New Mexico. In each area about 5,400 persons 16 years old and over, residing in about 2,750 households, were included in the interviews. The interviewing was done late in 1970 and early in 1971.

The data include current labor force and employment status, weekly and hourly earnings of full-time wage and salary workers, usual place of work and transportation to work, the desire for work and work experience of persons not in the labor force, the main reasons for less than full-year work, annual wage and salary earnings of workers, principal methods of seeking jobs, lowest weekly pay acceptable for persons seeking work during the preceding 12 months, the extent of job training, work experience of persons currently employed on full-time schedules, family income, income of unrelated individuals, and residential history of family heads and unrelated individuals. Reports for the rural areas in the survey are being issued early in 1972.

The use of the county as the areal unit facilitates access to a variety of data which are not separately available for the rural and urban portions of the counties. Among these 3,141 counties or county equivalents in the country, 908 are entirely rural; that is they have no place with a population of as much as 2,500. In another 314 counties, less than 25 percent of the population is urban. Altogether, slightly over two-thirds of all counties have a majority of their population classified as rural. Only 54 counties are classified as entirely urban, and a little more than 10 percent of all counties are classified as 75 percent or more urban.

Data for counties include those of the Census of Agriculture, which permit an analysis of the changing labor requirements and inputs of the agricultural enterprises in each county. These data include not only the number of farms, but also the variety of agricultural activities carried on; the inputs in terms of machines, labor, fertilizer, pesticides, etc., and the total output as well as the value of sales. This Census is taken every five years and yields data reflecting the trends in agricultural production and organization. The farms are classified by size. The information on the age of the farm operators provides a basis for estimating the needs for new operators as the present incumbents die or reach retirement age. Information about the characteristics of farm operators and the size of farm also provides a basis for projections of how many of the units are likely to be discontinued when the present operator is no longer able or willing to carry on in that activity.

A special report in the Census of Population series will be devoted to the income of the farm-related population. It will include all persons with farm self-employment income by state and by urban, rural farm and rural nonfarm residence, and show their age, educational level, labor force status and occupation if employed. For families with farm self-employed income, the report will show the occupation of the head, size of family, number of earners and other sources of income, including wage or salary of wife and occupation of employed wife. Information will be related to the value of the product sold from the farm. Wherever a state has at least 5,000 Negro or Spanish origin persons or families, separate tabulations will be done for these groups.

Other Sources

A major resource for manpower analysis which has not been intensively used for purposes of analyses of rural manpower is the body of data which has been assembled for the longitudinal study of manpower under the general supervision of Herbert Parnes at Ohio State University, and supported by funds from the Manpower Administration. This project has involved five yearly surveys with a sample of 5,000 young men (ages 14 to 24 when the survey began), 5,000 mature men (ages 40 to 59), 5,000 young women (ages

14 to 24) and 5,000 mature women (ages 30 to 44). The samples are a cross-section of the population of the entire United States, and, thus, include an appropriate share of rural persons. The fact that these panels were interviewed annually provides unparalleled information on both labor force and job mobility, as well as geographic mobility. A number of reports have already been published on the basis of these surveys. Much of the information is already on tapes and arrangements to purchase the present tapes or for the preparation of special tabulations can be made through the Census Bureau.

An early study (by today's standards) which still may have much to offer in attempting to understand the situation confronting rural manpower is the Survey of Economic Opportunity. Conducted in 1966 and 1967 for the Office of Economic Opportunity, the study covered a national sample of 30,000 households throughout the United States. The study focused mainly on the interrelationship between income, assets, and work experience and, in these areas, the information collected was considerably more detailed than that collected regularly in the CPS, for example. Microtapes containing the survey results and including geographic detail on rural farm and rural nonfarm residences have been prepared by Census, refined by the Brookings Institution for OEO, and are made available for general use through the University of Wisconsin.

The Census of Business, the Census of Manufactures and the related Censuses of Construction and Mining are taken once every five years. They provide information on the nature and size distribution of the several enterprises, the amount of employment, the inputs and value added, and the amount of wages paid. Information is also available on the type of employment provided and estimates can be prepared regarding the level of skills required to meet present or anticipated demands. Trends can be ascertained and a base for projections into the future can be derived from the data yielded by those quinquennial Censuses.

An important source of annual data by county is to be found in the series of publications known as County Business Patterns. These supply data on the volume of employment by major industry group during the first quarter of each year. The data relate to all employees included in the Social Security System. Though these data do not supply information about individual workers and their characteristics, they provide a basis for gauging the development of employment in the major industry groups within each county. The fact that the data are available on an annual basis permits a county-by-county analysis of trends. These reports have been issued annually since 1962; they appeared irregularly between 1946 and 1961.

Another source worthy of consideration is the 1 percent work history sample maintained by the Social Security Administration. This includes information on the employment history of workers in the Social Security System and is oriented to the place of employment rather than to the place of residence of the worker. It traces the movement of workers into and out of covered employment and also provides a measure of the geographic mobility of such workers.

The situation regarding the availability of data is not a static one. The budget proposal for fiscal 1973 includes an item for testing the feasibility of weekly enumeration for the Current Population Survey with the hope of reducing or eliminating some of the fluctuations due to the fact that the current procedure is based on a single week in each month. The Bureau of the Census is planning to modify its regular CPS question on migration to cover a two-year period to thus provide a better basis for migration estimates. No doubt other changes will be developing as additional needs are demonstrated.

The regular collection of data on the characteristics of migrant workers and on the movement presents difficulties which up to the present time have not been surmounted. It may be that special study of these groups will continue to be the major source of information.

This listing of the information which is available or is currently becoming available takes no account of the many special studies which have been and will be organized to secure more specific information about the persons included in the broad term, "rural manpower." The listing may suggest, however, that there is already available a significant amount of information which can yield a substantial amount of information concerning the variety of skills and characteristics encompassed by the term "rural manpower." The listing may also suggest that a large amount of useful and significant information is available from surveys which, though not specifically addressed to this segment of the total, could be exploited for purposes of more detailed analysis.

APPENDIX

Information Concerning Rural Manpower in the PC Reports of the 1970 Census

	By States					County	
	Rural					Rural	
	Farm	Non-farm	SMSA	Not in SMSA	County Total	Farm	Nonfarm
No. of persons by sex and age	..5-year age groups to 75...					5-year age groups to 75............	
Years of school completed, 25 years old and over	..10 categories............					8 categories.......	
Industry of the employed	..41 categories............					9 categories.......	
Occupation of the employed	..40 for males............ ..25 for females............					11 major groups....	
Employment status of persons 16 years old and over	..7 categories............					5 categories.......	
Source of family income	..6 categories............					....	
Income of families	..15 class intervals.......					15 class intervals.	
No. of families with income less than the poverty level	..percent plus mean income..					percent plus mean income-deficit.....	
Mobility	..17 categories............					None...............	
Veterans' Status (Males)	..6 categories............					None...............	
Vocational education	..percent reporting.......					None...............	
Disabilities	..16-64 years old....... 4 categories					None...............	
Males 16-21 not attending school	..6 categories............					2 categories.......	
Employment in agriculture by class of worker, i.e., self-employed, wages or salary, etc.	..3 categories............					None...............	
Place of work	..3 categories............					None...............	
Weeks worked in 1969	..3 groups by age.........					None...............	
Last occupation of experienced unemployed	..8 categories............					None...............	
Work of 14 and 15-year olds in 1969	..male and female.........					male and female....	
Labor mobility, 1965-1970	..3 categories............					None...............	

COMMENTS ON CENSUS DATA FOR RURAL LABOR MARKET ANALYSIS

Bernard Hoffnar
Office of Economic Opportunity

I have no specific reaction to Mr. Taeuber's comprehensive comments which should serve data users well. However, I do want to pick up on a point made early in his paper and proceed down a different path. Mr. Taeuber wrote:

> "It is assumed that the term 'rural manpower' relates to persons of working age who live in rural areas. In some of these areas, the majority of the working population may commute to a nearby metropolitan area and utilize the rural setting only for residential purposes. The SMSA, as defined, include a substantial rural population and a large part of those persons gained their livelihood from activities which are directly related to the economy which is centered in the large city."

Since the vast majority of rural workers do what their urban counterparts do, I believe there is little reason to conduct special studies of the rural labor market. (Notable exceptions exist, however, to wit: migrant workers and farm laborers and possibly the Black labor market.) What is needed alternatively is a knowledge of area multi-county, labor markets.[1] The rural-urban labor split may then be a bothersome categorization which detracts researchers from homing in on the primary problems of geographic areas which have special labor market malfunctions. Existing data collection could lend itself to this framework. Decimal Census information on a county basis does provide area benchmarks for analysis. The CPS data would be more useful on an area basis, since the sample size problem would be less bothersome. Other information sources listed by Taeuber would also prove useful in the area analysis of labor markets.

In addition to area labor market research, specific industrial analysis is also necessary, since the relevant area labor market often transcends regional boundaries. For example, the aero-space industry has for all practical purposes national boundaries which include Seattle, Washington; Los Angeles, California; and St. Louis,

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[1] *I believe this notion is not inconsistent with Schultz's hypothesis and the research of Hathaway, et. al.*

Missouri. An understanding of this market requires a broader area view than that needed for the more usual local labor market analysis.

I would suggest that the work of Brian Barry, and more recently the work at the Center For Economic Development at the University of Texas for OEO, may lay the ground work for labor market area delineation. The work under Niles Hansen by David Huff and Dan Milne in Texas classified multi-county areas taking into account the concepts developed by Barry. The areas delineated were based on urban spheres of influence some 75 in one analysis and 350 in another. The following variables were used to define these spheres:

Population, 1960
Population, 1965
Total labor force, 1960
Retail labor force, 1960
Service labor force, 1960
Wholesale labor force, 1960
Transportation labor force, 1960
Fire labor force, 1960
Public Administration labor force, 1960
HEWO labor force, 1960
Miscellaneous labor force, 1960
Manufacturing labor force, 1960
Service employment, 1963
Retail employment, 1963
Wholesale employment, 1963
Manufacturing employment, 1963
Service employment, 1958
Retail employment, 1958
Wholesale employment, 1958
Manufacturing employment, 1958
Date city past 100,000 population

As is evident, employment information provided the primary basis for defining the spheres of influence for each city. It seems logical to me that information gathered based on these delineated areas would be extremely useful in both studying and recommending policy instruments to better serve the labor markets of these areas. On an area basis, both supply and demand curves could be estimated for various types and quality of labor. Estimates of cross-elasticity of demand could be made between industries within an area. For example, within area L and between industries i and j, the cross-elasticity of demand would be:

$$E_{Lij} = \frac{\Delta Q_{Li}}{Q_{Li}} \bigg/ \frac{\Delta W_{Lj}}{W_{Lj}}$$

Similarly, between areas L and M, the cross-elasticity between areas and within industry would be:

$$E_{LMi} = \frac{\Delta Q_{Li}}{Q_{Li}} \bigg/ \frac{\Delta W_{Mi}}{W_{Mi}}$$

The last cross-elasticity would be an estimate of the mobility propensity among the multi-county areas. The causes of this propensity could then be identified. Glenn Johnson's asset fixity concepts would be relevant here.

Since labor markets function at many different area levels, in addition to having the multi-county groupings, these could in turn be aggregated into larger state or multi-state labor regions. It seems to me that building a system along these lines is logical and would prove fruitful for policy purposes.

Finally, I am particularly interested in determining the relationships which exist within these multi-county areas between the low-income segment of the labor market participants and the remaining segment. By this, I mean that cross-elasticities of demand for labor between occupation groupings, as well as between industries, would be of great interest in helping stimulate movement of laborers from low-paying positions to higher-paying ones both within and between occupations. Similarly, the propensity to move between areas would also be of interest.

COMMENTS ON CENSUS DATA FOR RURAL LABOR MARKET ANALYSIS

James A. Sweet
University of Wisconsin

My qualifications for participation in this program have to do more with the fact that I have worked intensively with Census data for analysis of labor market behavior than with any close acquaintance with rural manpower problems. The bulk of my labor force work has concerned the labor force behavior of urban women. I have, however, recently done some analysis of the labor force activity of rural farm women.

I have been working on labor force analyses with 1960 Census 1/1000 sample data for the past seven years, and plan to carry on this work with 1970 Census tape data. I am a member of the Center for Demography and Ecology at the University of Wisconsin where we have been developing a data processing facility involving an IBM 370/135 computer devoted exclusively to the processing of Census files. I will, therefore, concentrate my remarks on issues involved in analysis of Census tape data on rural manpower. My remarks will be heavily influenced by my experience in investigating the employment patterns of secondary workers.

In my discussion of Dr. Taeuber's paper, I will offer a variety of suggestions and criticisms of Census data for the rural population. I want to stress, however, at the beginning of my remarks that the innovations introduced in the 1970 Census considerably advance the analysis of rural labor market behavior. I have the feeling that what may be in shorter supply than good data in the 1970s will be scholars with the interests, qualifications, and computing facilities necessary to exploit the vastly increased supply of data.

Census of Population

I want to distinguish between data on individuals and data on areas--for example, counties or urban places. In the past we have been limited to published tabulations for both types of data. For the 1960 Census, a tape--referred to as the 1/1000 sample tape--was made available by the Census Bureau. This permitted analysis on an individual or family basis. In the 1970 Census, in addition to a series of 1 percent samples, expanded versions of the 1/1000 sample, there will be a large amount of data on areal units on tape available to the researchers. For our purposes here the most important summary tape data are for counties and small urban places.

Individual Units--Public Use Samples

Let me discuss first some problems I encountered while examining employment of farm wives with the 1960 1/1000 sample.

The rural farm population is very heterogeneous--ranging from large-scale ranchers or dairy farmers to virtual subsistance farmers, to the part-time farmer who works full-time at an urban job, to the farm residents who, while living on a farm, are not themselves engaged in any farming operation at all. We know nothing directly from the information on the Census tape about the type of farming operation, if any, in which the rural farm family in question is engaged. We do, however, have several clues.

Occupation of the household head. The "occupation" question refers to the current occupation during the Census week (generally during April or May). If the person was not in the labor force or was unemployed during the Census week, his most recent occupation is indicated. In cases where a person had more than one job during the Census week, he is classified in the occupation in which he spent the most time during the Census week. The part-time farmer, then, would not be directly identifiable as a farmer unless he spent the majority of his work week in farming. The Census is conducted in April.

Tenure. We can distinguish among families who live in rented housing, in owned housing, or in non-owned housing where there is no cash rent. To my knowledge, no one has ever before considered this as a variable telling us something about the nature of the farming operation. We have to make the assumption that a family who owns its own home, where the husband is classified as a farmer in the occupational classification, owns its own farm, or at least part of it. Those who rent their house also rent their land. The "no cash rent" category includes at least three groups of persons: sharecroppers, migrant workers, and other farm laborers who do not directly pay rent for housing, and undoubtedly a few other persons who live on and farm a farm which is owned by relatives and who pay no rent. We cannot, with available Census data, distinguish among those groups, except that the sharecropper should be classified as "farmer," and the migrant workers as "farm laborer." Of course, not all persons who are sharecroppers or migrant workers fall in the no cash rent category with respect to housing.

Source of husband's income. Among "farmers" we can distinguish among those who have only self-employment income, those who have both wage and salary and self-employment income, and two ambiguous cases of persons with neither income source and those with wage and salary income only. Income derived from one's own farm operation, whether owned or not, is regarded as self-employment income.

Farmers with only self-employment income would generally be full-time farmers with no other employment throughout the year, although a farm resident who is a self-employed carpenter, plumber, or whatever, or who sells seed or something other than the products of his farm, would also be included in the self-employed only category. The farmers with both self-employment and wage and salary income include the farmers who obtain urban employment in the off-season, or who have a secondary wage and salary job, in addition to the primary farm activity.

We cannot identify part-time farmers whose primary activity during the Census week was something other than farming, unless we are willing to assume that all persons with both income sources, whatever their primary occupation, are part-time farmers. This assumption is not warranted. The 1960 Census does not list farm income as a separate component; the 1970 Census does. This is a major improvement that will permit a much more detailed analysis of the incidence of part-time farming.

One major deficiency with the 1960 1/1000 Census sample is the lack of data on the geographic location of the rural farm population. The best we can do is to classify the population into the four Census regions--Northeast, North Central, South, and West--and into metropolitan and non-metropolitan residence. Those with a metropolitan residence can be further subdivided by size of metropolitan area. It would be desirable to be able to divide the non-metropolitan farm population further in terms of distance from metropolitan centers, the economic base of the county, the type of nonfarm activity in the area, etc.

The 1970 1 percent public use samples will be an improvement over the 1960 1/1000, since it will be possible to identify state of residence on two of the six samples, and perhaps even more precise geographic location in other samples. I have the feeling that the needs of analysts of urban phenomena were given much greater priority in the design of these samples (but nonetheless they do considerably advance the study of rural labor force). Also, concern over confidentiality had a greater impact on the geographic identification of the non-metropolitan population than of the much larger metropolitan population. No geographic unit with an aggregate population of less than 250,000 will be identifiable on the public use samples.

There are some serious problems--both conceptual and operational--in the classification of the labor force status of rural farm women. There seems to be a large amount of unpaid family labor by wives living on farms which should, if it involves more than 14 hours a week of work, be included in the employed category. It is frequently classified in the Census as not in the labor force. Many such misclassified women work a large number of hours per week. This fact was evident in the early 1940s when the labor force concepts and measurement were being developed and tested, and resulted in a modification in the way the employment status question was asked. There is evidence of an improvement in classification as a result of the change. (See Louis J. Ducoff and Margaret J. Hagood, *Labor Force Definition and Measurement: Recent Experience in the United States*, New York: Social Science Research Council, Bulletin 56, no date.)

However, data from the 1960 Current Population Survey--Census Match indicate that a great deal of disagreement remains in the case of women in farm jobs. Table 1 indicates the extent of the misclassification.

It seems reasonable to assume in this case that the Current Population Survey did a better job of applying the classification to the women, since the Census put more of them into the residual category (not in the labor force) and fewer in the difficult to identify category (unpaid family worker). It is also quite probable that both the Census and the Current Population Survey misclassified additional unpaid family workers in the same manner.

Only 42 percent of the women who were classified as employed in agriculture in the C.P.S. enumeration were similarly classified in the 1960 Census. Thus it is fruitless to try to use Census data to measure female farm labor inputs. However, it is possible to study the nonfarm labor force activity of farm wives.

Table 1 — Comparison of Census and Current Population Survey Classification of the Employment Status and Class of Worker of Women Classified as Employed in Agriculture by the Current Population Survey: United States, 1960

Census Classification	Current Population Survey Classification							
	Employed in Agriculture		Wage and Salary Workers		Self-Employed		Unpaid Family Workers	
	Number (000's)	%	Number (000's)	%	Number (000's)	%	Number (000's)	%
Employed in Agriculture	298	42	89	51	47	40	162	39
Employed in Non-agriculture	55	8	13	7	19	16	23	6
Unemployed	—	—	—	—	—	—	—	—
Not in Labor Force	349	49	73	42	46	39	230	55
Not Reported	11	2	—	—	5	4	6	1
Total Matched Persons	713	100	175	100	117	100	421	100

Source: 1960 Census, Evaluation and Research Program of the U.S. Censuses of Population and Housing: 1960, "Accuracy of Data on Population Characteristics as Measured by CPS--Census Match," (ER 60, No. 5), Table 28.

In the 1960 Census, rural farm territory was distinguished from rural nonfarm territory by a definition involving 10 acres or more and farm sales of $50 or more, or less than 10 acres and sales of farm products of $250 or more. No information was available on the Census record to distinguish marginal farms selling only $50 or $100 from larger farms providing families with their entire livelihood. The 1960 Census tape included only a binary classification distinguishing farm and nonfarm residence. The 1970 Census tape records will be much improved, including not only net farm self-employment income as discussed above, but also whether less than 10 or 10 or more acres, and the gross sales of farm output classified as less than $50, $50-$249, $250-$2,499, $2,500-$4,999, $5,000-$9,999, and $10,000 or more. These, in conjunction with farm self-employment income, will aid still further in analysis of rural labor force behavior. One implication of the availability of this information is that the individual analyst can, if he is not satisfied with the Census distinction between rural farm and rural nonfarm, classify the population according to some more appropriate definition.

Both farm and nonfarm employment opportunities for women in rural areas are likely to be disproportionately seasonal. Nonfarm employment may be available in the period of the year when crops are being harvested and need to be processed and shipped to the market. Women may work in canning facilities, they may sort and grade produce of various kinds, or otherwise participate in the processing and marketing of agricultural output. This seasonality might be especially pronounced for women with relatively low levels of education and training and for women living outside metropolitan areas.

The recent Censuses were conducted primarily during April and May. Clearly, then, there would be very few seasonal workers engaged in harvesting operations or processing operations at that time. In considering the labor force behavior of secondary workers, seasonality has to be taken into account. One gets quite different results when one analyzes the current (i.e., in April) labor force participation of women than when he examines the probability of having worked sometime during the previous year.

The fact that we will have several 1 percent samples rather than one 0.1 percent sample is extremely important for the analysis of labor market behavior for the rural populations. The 1/1000 sample was much too small for many analyses. For example, I had only about 200 cases of married farm women with earnings in 1959. This did not permit the detailed analysis of earnings that I would have liked to have carried out.

More important, however, are the possibilities of analysis of the labor force behavior of rural minorities such as southern Blacks and Mexican-Americans. Such analyses were impossible with the small base in the 1/1000 sample.

One of the 1 percent samples will contain information concerning the characteristics of the area of residence. While I do not know exactly what information is contained or for what geographic unit--county, SEA, or what--it is possible that we can make great advances in our knowledge of rural labor force behavior by investigating such behavior with individual and areal characteristics simultaneously.

Geographic Units--Summary Tapes

In the publication program in 1960 the number of tables in the state volumes and even in the subject reports for the nation with a rural-farm rural-nonfarm cross-classification in them was abysmally small. For example, the "Occupational Characteristics" Subject Report contains 37 tables, only two of which show data separately for the rural-farm population. In the state volumes the amount of data on the rural population of counties was also extremely limited. Evidently, the 1970 publication program is not much different from that in 1960.

However, the summary tape program adds an incredible amount of data for rural areas and small towns. For example, file C of the 4th count summary tape provides something like 13,000 cells of information for each county, and, where relevant, separately for the urban, rural farm, and rural nonfarm, Black, and Spanish descent parts of the county's population.[1] Unfortunately, I find no data in this file on distribution by farm sales, and only very limited use of the farm self-employment income variable.

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[1] *For the contents of the 4th count tapes, see U.S. Census Bureau Data Access Description #16 (Revised), "Fourth Count Summary Tapes from the 1970 Census of Population and Housing."*

Current Population Survey

As a resource for analysis of rural manpower, the publications of both the Census Bureau and B.L.S. are not terribly helpful. Virtually no tabulations are cross-classified by type of residence--rural farm/rural nonfarm/urban. The sample size would support a modestly increased set of tabulations. However, if we are serious about getting good monthly and annual data on rural manpower, it will be necessary to expand the CPS by oversampling in rural areas. As a more general proposition, I would argue that the CPS is such a fundamental component of the nation's statistical system that increased efforts should be made to collect data on important minorities by oversampling in areas where they are concentrated. There is no alternative way to get adequate current national data on these groups.

Recent Censuses of Agriculture

The 1964 Census of Agriculture was a rich resource for persons interested in rural manpower. In addition to data on the farm operation—ownership, value, sales, inputs of various kinds--there was some rather detailed information on farm and nonfarm employment of each family member. Only limited tabulations have been published, and no public use tape has been released. The 1969 Census of Agriculture was confined to a much more limited set of individual characteristics of persons residing on enumerated farms on the grounds that such information would be included in the 1970 Census of Population. This argument, while probably valid overall, ignores the fact that it is impossible to cross-classify characteristics of farms and farm residents unless the information is collected simultaneously.

I continue to hear rumors that there are plans to release, for state economic areas, the tabulations that are available for states in the published reports of the 1964 Census of Agriculture. Perhaps they have been released; if not, I hope their release is imminent.

I would hope that in future years academic research workers will be able to get agricultural Census data on tape for their own analyses, either on individual farms or summaries for counties or, preferably, both. There is a lot of important work that could be done by collating agricultural and population Census data for counties.

Finally, with respect to the "Parnes" longitudinal labor force data that Dr. Taeuber mentioned, I doubt that there is much that can be done with respect to labor force activity of the rural farm population, since there are only 5,000 cases for each sample. But my major comment with respect to the "Parnes" data has to do with the irrational pricing policy that the Census Bureau and Manpower Administration adopted in releasing the data to the public. Only researchers with substantial funding can acquire these files from the Census Bureau.

DISCUSSION OF SESSION IV

James Esshaki

I'm the farm labor analyst for the State of Michigan. I don't have the agriculture Census. All this data gathering is useless to me, because by the time I get the 1969 data, it's 1972. My estimations for the 1972 season will be three years old. In order for me to establish statistically valid projections and, I don't mean cookbook, I need standard error of sampling, number in the sample, statistical data. Where can I get it?

Conrad Taeuber

Write us. If you don't find it in the published report, write and we'll send it to you.

Audience Member

How many people were in the rural population in 1970?

Conrad Taeuber

A little less than a third, 54 million. The rural population is about the same as it was in 1960 and in 1950.

Cora Cronemeyer

Does it stay the same because some towns have gone over the 2,500 mark and have been reclassified from rural to urban?

Conrad Taeuber

That's part of it. It stayed the same, but actually, grew within the SMSAs and declined outside the SMSAs.

Ray Marshall

This also goes for rural nonfarm population.

Conrad Taeuber

The farm population has been about a third during the ten years.

Jim Booth

Is there any possibility of strengthening the data available on the underemployment issue raised in the Census data?

Conrad Taeuber

I guess we have to define underemployment first. We have made all kinds of efforts to find these alleged discouraged workers, but they're hard to find. This series of reports was another effort at getting such information. They're still hard to find.

Glenn Nelson

The Census is such a rich source of information for rural areas that it's occurred to me a Census every five years would be much more valuable for rural areas proportionately than urban areas.

Could you react to that and to where we are in this discussion. I have heard about a Census being done every five years.

Conrad Taeuber

There are three or four bills pending in the House and one in the Senate calling for a Census in 1975 and every ten years thereafter. The administration has taken a firm negative position. My guess at the moment is that the committee will not report out a bill. One of the things they're considering is something that might be called a major statistical effort centered on 1975, and what this means is still open. It could mean something less than a full Census and something more than a two percent sample survey. It might be 15 or 20 percent survey of the entire country with some oversampling in the rural areas and less than that percentage in the urban. But this is all speculation. The only thing I feel reasonably confident about at the moment is that there will not be a bill for a full Census in 1975.

Cora Cronemeyer

I have seen that volume you call the fourth count and another called "The Number of Inhabitants," and neither says anything about farm population. There is urban and rural, but there doesn't seem to be farm.

Conrad Taeuber

No, farm is in this series of reports. (They have three stripes on the spine.)

David Ruesink

What is the possibility of speeding up the time between obtaining the information and getting it back to us?

Conrad Taeuber

I wish I knew the answer to that question. It's given us a good deal of concern. We made some gains in the 1970 Census, although we are not happy with the fact that the sample data, the general socio-economic characteristics, are not completely available as we had initially planned. I hope we can do better in 1980. When you're dealing with 200 million individual records and you have to go through a manual coding operation, as we have to at the moment, it just takes time. Two hundred million records are an enormous mass of materials to handle and store, and to be able to find.

Louis Levine

I'm disturbed by the statement that through modern technology you have developed so much information and the problem now is not information but analysts—people who will digest and make use of it. But nothing has been asked of the Census that wasn't demonstrated to have a real need. How are these two to be meshed? Are there evidences, for example, for the manpower information already in the Census for 1970 or in the 1969 agriculture Census for that matter that it is really useful on a manpower basis? And are the manpower users who have made the plea for it making use of it?

Conrad Taeuber

I suppose there are many different levels of use. To a certain extent, what we publish is at a very elementary level. Much of it is simply the rim count and that serves many purposes, and serves them very well. But there are people who need to be able to make much more detailed cross-tabulations or more intricate cross-tabulations. They may not be very numerous, and in that sense it has always been true that the data have never been fully exploited and may never be. But I would hope that the judgments made on what would be included and not included would represent some real needs which still exist today. To some extent, they may have been needs that existed in 1968-69.

Louis Levine

Does that partly explain the delay in getting the material back to users because, despite modern technology, there is still a lot of hand coding etc.?

Conrad Taeuber

Manual coding is one element. Another element is this. We have published 60,000 pages including data for a million and a half city blocks—much more than ever before. We have had demands for very small area population counts. The redistricting, one-man one-vote doctrine, has meant that those data have been given a degree of use and critical examination that we have never experienced before. But even computers are not infallible and it just takes time to process 200 million records.

Michael Borus

Does the Census Bureau feel it missed any rural people this time around? If so, how many?

Conrad Taeuber

The answer to your first question is yes. If we knew the answer to your second question, we wouldn't have missed them. We are again going through a very detailed evaluation program. The most difficult part of that evaluation program is on exactly that point: how do you establish that you have missed people. We learned as long ago as 1950 that we don't do it by sending another set of enumerators out to canvas the same area. In net, they found about the same number of people the original enumerators had found, however, there were some differences. In the end, it becomes a matter of what we call demographic analysis, and this demographic analysis rests on a great many assumptions and hypotheses. We published the undercount for 1960 in 1967, and have found since then that we overestimated the number of people we missed. One information source we had used for that analysis turned out to have been wrong when a better source of information became available; in this case, for the population 65 and over. When Medicare came in, we had a handle on a particular segment of the population which we had never had before. But it will be at least another year before these analyses are completed, and even then anybody can argue that the assumptions should have been different because in the absence of complete birth registration for the entire population and in the absence of moderately good records on immigration and emigration, one has to make assumptions and leap into the darkened spot.

Ray Marshall

What's your present thinking about the initial undercount of the Black population? Did you change that estimate, too?

Conrad Taeuber

That was involved. What we have seen so far leads us to believe that we did better with the Black population this time than last. But this is an impression, not a valid conclusion. We certainly went to much greater length to deal with this problem than we did in 1960.

Ray Marshall

You said you reappraised your estimate of the undercount. Does that include your estimate of the undercount of the Black population?

Conrad Taeuber

Yes. It affects both the Black and White population.

Audience Member

What is the time frame for the 1974 Census of Agriculture?

Conrad Taeuber

The 1974 Census of Agriculture, in effect, has started but, in terms of your question, I should say next fiscal year. Our Advisory Committee is to meet day after tomorrow, and will begin to go into some of the larger questions that must be answered. One of these questions is: should we redefine farms and eliminate from the universe in the Census of Agriculture that large segment, a third or a half, which really contributes little or nothing to commercial agriculture? Should the Census of Agriculture focus much more on commercial agriculture than it has in the past?

Lester Rindler

From the standpoint of rural labor market analysis one of the problems is the use of the Census of Agriculture as a benchmark and having extensive types of data to determine farm labor and farm population. This conference may want to consider this.

Conrad Taeuber

Now is the time to make those needs known.

Varden Fuller

I think Taeuber ought to respond to Hoffnar's point about discontinuing the rural category. If I understood Hoffnar correctly, this isn't a very functional category; it isn't much used, it's misleading, and we ought to get rid of it.

Conrad Taeuber

There is a proposal. Dale Hathaway and Al Beegle did thesis monograph, as he reported this morning, in which they propose that the basic distinction be made between SMSA and non-SMSA, and within that a rural-urban break. They don't want to get rid of the rural-urban break completely, but put more emphasis on the SMSA/non-SMSA.

Varden Fuller

Do you personally feel that the rural category isn't of much use?

Conrad Taeuber

I would continue it, but personally I would give up the rural farm/rural nonfarm break. Personally, I think that has lost its meaning completely.

Bernard Hoffnar

Not for labor market analysis, and this is my whole framework. There are a lot of other reasons why it is relevant to someone who needs to know something about the rural population, and I can understand such needs for policy purposes. But from a labor market analysis viewpoint, it tends to confuse. We get hung up on it.

Varden Fuller

Maybe if we can't define it we don't need it.

SESSION V

THE U.S. DEPARTMENT OF LABOR AS A SUPPLIER OF INFORMATION ON RURAL LABOR MARKETS

DEPARTMENT OF LABOR INFORMATION ON RURAL LABOR MARKETS

Davis A. Portner
U.S. Department of Labor

No doubt there is need for more information on rural labor markets. If we are to make progress in revitalizing rural areas and improving the situation of most residents of rural areas, we first need to know a great deal more about them.

We need a variety of detailed and comprehensive information to meet a number of needs. We need information that will be useful to workers and provide them with leads to farm and nonfarm employment opportunities in local and non-local jobs. Changing employment patterns and off-farm migration intensify the need for information on employment opportunities in urban and other rural areas. Data on job openings in different local areas will eventually be available by tapping into already existing information networks. The present efforts to link job banks into statewide systems enabling every local Employment Service office to have access to a full listing of job orders within the state will be extremely valuable to rural residents, particularly those wanting to relocate or commute to jobs in neighboring towns and cities.

We also need labor market information if we are to assist in the economic development of rural areas. Industries that might locate in these areas need specific information on the quantity and quality of available and potential labor resources—the size of the labor force, skill level, and demographic characteristics. Data on the wages, fringe benefits and conditions of employment necessary to obtain a specific quantity and quality of worker are also required. In addition, much will need to be known on the physical characteristics and resources available in a given area—railways, highways, waterways, relation to metropolitan areas, etc.

A third purpose for which we need labor market information on rural areas is for planning and providing manpower and educational services. Partly because of physical and administrative difficulties, but also because of a general lack of detailed information on the needs of rural areas, services of all kinds tend to be more limited for rural than urban residents. These services are a vital tool in promoting the well-being of rural residents—be it through promoting the economic development of an area, in counseling rural residents preparing to migrate, or, of course, in preparing people for existing job opportunities in the area.

Although I could spend the remainder of the time allotted to me discussing the needs for and uses of additional data on rural areas, I have been asked here to tell you about the kinds of data on rural labor markets presently being provided by the Department of Labor. Unfortunately there is relatively little to be said on that subject, since relatively little is being provided.

One of the basic D.O.L. sources of rural labor market information results from a program conducted by the United States Employment Service in cooperation with state Employment Security agencies. This program provides estimates of work force, employment, and unemployment compiled from data collected by the state E. S. agencies. Currently, data are being reported for approximately 1,600 labor areas. Much of this information is collected in connection with federal area assistance programs. For instance, the Public Works and Economic Development Act provides aid to areas of substantial and persistent unemployment, low income, or declining population throughout the county. Many of the areas eligible for assistance are depressed rural counties with fewer than 25,000 residents. Some states are now collecting this information on all counties regardless of their eligibility for federal area assistance programs. At present this information is published in the *Area Trends Employment and Unemployment Bulletin* on 150 major labor areas. Plans are now underway to begin automating the procedures for tabulating the data currently reported thus making possible the publication of data on many additional smaller labor areas.

Another source of information on rural areas is the Unemployment Insurance program which furnishes data on employment and wages (by industry) of workers covered by state U.I. programs. This information is disaggregated by county for one quarter of each year. This, of course, excludes farm workers and other non-covered industries. Data on claimants for unemployment insurance are available at the state level. However, it is not always available on a county basis because the states compile data by local office and a local office serving a rural area may serve more than one county.

Two recently established reporting systems that should eventually provide more information on rural residents are the ESARS (Employment Service Automated Reporting System) and MARS (Manpower Automated Reporting System) systems. ESARS provides data on the operation of the state Employment Service activities—on the characteristics of persons served, services received, and job orders listed with local offices. MARS is an integrated management information system developed by the D.O.L. to provide timely and accurate information on the cost, enrollment, and accomplishments of manpower work and training programs. For ESARS, the national office gets state totals on the number of rural applicants served and the type of services provided. Some states can provide more detail on specific locations of applicants. A recent change in MARS will permit additional information on rural residents participating in manpower training programs. Recently a distinction has been made between rural and urban counties based on 1970 Census data. Within a few weeks the system will be able to supply information on rural and urban enrollees for each program. Because of the arbitrary way of distinguishing between urban and rural counties, however, this information will not be 100 percent accurate. It is expected that, if anything, there will be an undercount of rural enrollees.

The Office of Research and Development in the Manpower Administration has supported a number of research and/or E & D projects which have explored a wide variety of rural manpower and economic problems. These studies range from the special problems relating to migratory farm workers, to rural-to-urban migration, the impact of mechanization on farm workers, to regional economic development. A quick review of the recent research in this area, however, makes clear the partial and tentative nature of present knowledge on rural labor markets. It is evident that answers to a number of questions must await more comprehensive research than has yet been accomplished.

A program operated by the Rural Manpower Service serves as a source of information on some rural counties. This is the Smaller Communities Program, now operating in 20 states. Under this program, teams of trained state Employment Service specialists travel to rural areas remote from local offices, survey the aptitudes and employment problems of local residents, and provide services including interviewing, testing, counseling, job development, placement, and referral to training. Team members also develop some information on employment and unemployment trends, on potential labor supply and economic resources of the rural county in an effort to attract new industry. Another Rural Manpower Service project has made labor market analysis available to rural areas in the Area Concept Expansion program (an Ottumwa-type project) operating in 12 states and covering 103 counties. This project ties small counties together making possible the provision of needed services.

The Bureau of Labor Statistics, of course, serves as a major source of labor market information, particularly, however, with respect to the collection and analysis of national data. For example, the B.L.S. Labor Force Estimates which are based on the Current Population Survey report national statistics on many aspects of agricultural workers. Although this national data is useful, it must be supplemented with area detail to accurately pinpoint problems and identify solutions.

As you can see, only limited data on rural labor markets are provided by the Department of Labor. There are, however, a variety of projects and programs in the developmental stage that will supplement the existing information.

One anticipated source of information is the new Public Employment Program created by the Emergency Employment Act. Under this program $2.25 billion in new funds will be available during 1972 and 1973 for state and local governments. These funds will be used to create transitional public employment opportunities when the national unemployment rate exceeds 4.5 percent, or in local areas when the rate exceeds 6.0 percent. Implementation of the program has directed increased attention to the gaps in labor market information which exist for parts of established labor market areas, such as ghetto areas in cities and for areas (many of them rural) that are not part of a labor area. The national office of M.A. at the present time is working with selected state Employment Security agencies to develop methodologies for resolving the critical estimating problems which stem from the lack of adequate information. Ultimately it is envisioned that there will be a comprehensive systematic estimating and reporting program yielding the information required to administer the PEP program. This will be meshed into the present area LMI to provide unemployment estimates and characteristics of the unemployed in component segments of metropolitan areas and in non-urban areas.

A program specifically directed to improving labor market information is funded by *Secton 106* of the M.D.T.A.

In 1968, Congress amended the M.D.T.A. and explicitly assigned to the Secretary of Labor in Section 106 of the Act, the development of a labor market information program. In Section 106 (a) the Secretary is called upon to develop a comprehensive system of labor market information on a national, state, local, or other appropriate basis. This part of the Section 106 program is under my direction in the Office of Planning and Evaluation. Section 106 (b) provides specifically for the development of systems for collecting information on available job opportunities and the matching of unemployed, underemployed, and low-income persons with job openings, with maximum use to be made of E.D.P. and telecommunication technologies.

Thus, Congress called upon the Department to carry out programs to meet areas of informational need specifically identified in the amendment and, at the same time, provided a broad mandate for the development of a comprehensive system of LMI to meet a wide variety of uses.

To date, the Section 106 program has been concerned largely with: meeting the specific requirements for job vacancy information mandated by Congress; beginning to fill other perceived informational gaps, particularly for national and area level data; and supporting basic methodological and conceptual research. The result has been that only a modest impact could be made in meeting the needs of individual classes of users of LMI.

During 1971, we carefully reviewed the Section 106 LMI program and determined that the most critical gaps in information exist in the smaller geographical areas—counties, as well as cities and parts of cities. We have now turned our attention and our programs to filling these gaps.

The current emphasis of the program is in three areas:

(1) Improvement of the methodologies for making state and local estimates and forecasts;

(2) Enhancing the expertise of state and local manpower staff in the use of LMI; and

(3) Improvement in the dissemination of existing information.

Although these aims, and the programs underway to meet them, are not specifically directed towards the development of labor market information for rural areas, much of the data provided should prove applicable to them. Let me discuss briefly some of the Section 106 projects we see as being the most beneficial in this area.

One project that should be useful to state and local staff in strengthening their local data base is the *Manpower Planning Data* project. This provides, through support of preparation of the Annual Manpower Planning Report (AMPR), the information base for the planning of manpower programs at state and area levels. The project is currently focusing on improving the existing methodology for estimating the "universe of need" for manpower services to make the resulting data more usable in the planning process and more readily available for planning manpower programs for smaller geographic areas.

Another project, being conducted by Gabe Cherin at the University of Houston, is attempting to improve the existing "building block" method of estimating local employment and unemployment. Gabe is paying particular attention to improving estimates for smaller and rural areas.

The need for better means of estimating manpower requirements has been felt at all levels—national, state, local, and (presumably even) rural. Two projects being conducted under the Section 106 LMI Program should help to meet this need. One, the *Occupational Employment Statistics* program, will provide current data on employment by industry and occupation at the national, state, and local levels to serve as the basis for projecting future manpower requirements by occupation. The program, conducted as a federal-state cooperative effort, was launched during 1971 with a mail-out of some 54,000 questionnaires to a sample of establishments in manufacturing industries. The quantity and quality of the early returns are encouraging, reflecting employer interest in the program and willingness to cooperate. Resources are available to survey many—but not all—non-manufacturing industries during 1972. Although it had been planned originally to involve no more than 10 states in the data collection aspects of the program in the first year, interest in the program among state Employment Security agencies is such that 15 states are, in fact, involved in data collections for manufacturing industries. Six additional states are expected to participate in the data collection for nonmanufacturing industries in 1972.

In a second effort, we have initiated a major program to further enhance the ability of the state and local agencies to project future occupational needs on the basis of detailed information on local staffing patterns. In cooperation with the Manpower Administration and state Employment Security agencies, the B.L.S. has undertaken a 3-year program to develop an *Integrated National State Industry-Occupational Employment Matrix System*. The overall project will provide a series of 51 state matrices, including one for the District of Columbia, plus a matrix for the consolidated metropolitan area of New York-Northern New Jersey. These matrices will be based on Census data and consistent in format, content, coding structure, and employment concepts with the B.L.S. national matrix—from which national projections are now developed. To assist the states in using the matrix as a forecasting tool, a multi-purpose computer system will be designed and developed to use fully these state matrices in operations, planning, and research. The national/state industry-occupation matrix will provide, for the first time, a detailed industry-occupation listing by class of worker (i.e., private wage and salary, government, self-employed, and unpaid family workers). This information, which will provide an improved basis for detailed forecasting, will be updated on the basis of state employment data and staffing patterns information from the Occupational Employment Statistics program as these become available.

As I mentioned earlier, one of the current aims of the Section 106 LMI program is to improve the dissemination and use of existing information. One project expected to help in providing better, more up-to-date statistics is the *790 ADP* project. This project will develop a uniform ADP system for the processing of data collected by the states for the Current Employment Statistics program, which gathers industry employment, hours, and earning information. We have just signed a contract with Grumman Aircraft to design a Uniform Automatic Data Processing System for this data. The contractor will be analyzing the requirements for a standard reporting and estimating system and then develop a computer system for tabulating, validating, estimating, and benchmarking the data. It will be possible to process the basic employment information, now done manually in many states, on third or fourth generation EDP installations. As a result, the statistical quality of the data compiled from employer reports will be enhanced through increased uniformity and flexibility in processing. Savings to the states, in the form of reduced clerical staff, are also expected. The end result of this project—a flexible, modular system that can be used in whole or part, as indicated by the needs and problems of different states--will be available in early 1974.

In another of our projects, the CES *Follow-On Project*, a manual is being prepared to assist state and local labor market analysts in the analysis and use of data which are now available from the Census Follow-On Survey. This survey covered the social and economic characteristics of eight rural poverty areas, as well as poverty areas in 51 cities and should provide a considerable amount of detailed information for all areas covered.

One project my office is now considering is based on a product developed by the San Francisco Regional Office in cooperation with CAMPS and State Employment Security Agency staff. They developed a standard format and programming package for production and display of 1970 Census 4th Count data. We are considering a national project to provide these manpower packages for administrative geographic areas throughout the country. We feel that the usefulness of the mass of Census information available from the 4th Count tapes will be enhanced by providing the information packaged in such a manner as to fill many particular manpower planning and evaluation requirements. One strength of this system is that it would tabulate present combinations of Census tracts and enumeration districts that comprise the sub-geographic areas for which plans are necessary. Information in the Region IX list of sub-areas for which the packages will be assembled are SMSA's, counties, cities, CAP areas, CAMP areas, E. S. local offices, Indian Reservations, and combinations of rural tracts.

For the immediate future, it is anticipated that the Section 106 labor market information program will be primarily developmental rather than operational in nature. It is felt that the most efficient use of the program would be to assess the current system of labor market information as well as the changing requirements of LMI users and, on the basis of these analyses, develop solutions designed to bring the system into line with these requirements.

Two other basic principles will guide the program during the coming years: The program will concentrate on the development of information that will help achieve more effective planning, operation, and evaluation of the nation's manpower program and will focus on manpower program needs at the state and local levels.

COMMENTS ON DEPARTMENT OF LABOR INFORMATION ON RURAL LABOR MARKETS

Louis Levine
George Washington University

I regret not being able to provide you with a carefully organized commentary on the paper covering the U.S. Department of Labor's current programs for rural labor market data. Mr. Portner's paper became available only late last night, but he does make it abundantly clear that the Department of Labor has no structured and coordinated system for collecting and analyzing rural labor market data. Instead there seem to be only bits and pieces—fragments—of information yielded by federal and state reporting. Since the Department is obligated to implement legislation and administer programs bearing on rural manpower, it is reasonable to expect that, at minimum, mission-oriented data needed to achieve these objectives would be obtained. Mr. Portner, himself, recognizes that "relatively little is being provided."

Another and perhaps equally important limitation in the Department of Labor's rural labor market data is that the reporting is oftentimes remotely conceived and initiated; separated from the specific scenes and people who need to use it. As a consequence, emphasis is given to aggregated data and to information which seems to have broad global, policy uses. Too little information is specifically oriented to the practical application of delivering local manpower services. However, I am not referring only to narrowly restricted data concerned with rural manpower recruitment and staffing-placement operations. It seems to me that meaningful mission-oriented data for rural labor markets need to comprehend this broad range of human resources and manpower problems in the local areas to support rural manpower services of appropriate dimensions and priorities.

It is not surprising that differences of views and conflicts in thinking exist regarding the collection, processing, and analysis of rural labor market data. Essentially these differences revolve around general purpose versus specific purpose data. There is, obviously, need for both. Nevertheless, agencies responsible for the administration of programs and the execution of statutory assignments must give first consideration to data relevant to these obligations. As a consequence, the data lose some pristine purity and sometimes seem to be too practical contrasted with general purpose data adding to mankind's general erudition.

I am inclined to think that much of the discussion in this conference thus far has concentrated on data detail and quality, leaving inadequately examined the uses to which these data will be directed. Until we are more certain about what we propose to do with the data, who will use the data, where the data will be used and when, we cannot adequately discuss sources, detail, frequency, and quality of rural labor market data requirements. Clearly, the answers to these questions require the cooperative and concerted efforts of people from different fields representing various levels of responsibility and expertise. Contributions from the academic community should be blended with those from program administrators. The broad-gauged perspectives of the national office should take account of the specific pinpointed needs of operators concerned with local delivery of manpower services.

While in the final analysis, consumers or users of rural labor market data must decide what types of information are needed, it does not follow that they have the professional competence to determine what techniques and methodologies are best suited to yield needed data. Such competence is all too scarce in the states and localities. Considerations of uniform definitions and comparability of information, as well as the specialized skills of the data technicians, statisticians, and analysts require heavy reliance on state administrative regional and national offices. At the same time, it is necessary that these specialists recognize that excessive refinements for data validity or time-consuming processes which ignore the uses to which the data will be put locally are unreal.

Industrial development practitioners have indicated here how they have used rough hewn information to make important decisions on plant location and expansion. It is common knowledge that local manpower office operating personnel hate paperwork and have little use for records. At the same time, records and paperwork are central to the statistician's world. The ensuing situation is one in which the information "tain't yours and it tain't mine." Perhaps this is what is meant by the thought that data derived through the administrative process is tainted. There is a tendency, too, with modern technology and the wonders of advanced electronic data processing and computerization, to want to have more rather than less data. The central office thus adds to the paperwork burden in the local offices. Moreover, there is a danger that the political realities associated with data collection involving invasion of privacy and increased problems of confidentiality are overlooked.

There is reason to believe that household surveys as a basic means for collecting manpower data on a regular recurring frequent basis are not a likely reality. When applied to rural areas, the costs are greatly increased and the technical problems are considerably magnified. It is generally recognized that minorities, the poor and the disadvantaged are poor sources of information and the data obtained are unreliable. Information is given reluctantly, with skepticism and suspicion. These same characterizations may be generally applicable to the farmer and rural families. The precise definition of the statistician may bear little resemblance to the information obtained in these instances through the household survey. It is likely that, at best, the household survey can only provide benchmark data at infrequent intervals. To expect more, especially in the rural areas, is likely to aggrevate questions regarding invasion of privacy, since many of the manpower problems involve controversial issues.

Much of the manpower information in rural areas will have to be obtained through mission-oriented, program administering agencies engaged in providing human resources and manpower services. Despite the lack of universality and the imperfections of data, these agencies, as by-products of their activities, will need to develop the kinds of manpower data for rural areas which will contribute to more effective structure and behavior of the labor markets. This does not mean data for placement operations or job market services only, but for rehabilitation and supporting services as well. The agencies supplying such information include those engaged in health and social services, education and training, as well as the manpower offices. Increased attention must be directed to the problems of coordinating these information flows, pooling the information obtained and improving definitions and concepts to yield greater comparability.

Dr. Hathaway has stated that human resources have become a matter of concern for agriculture only in recent years. This situation is not unique to agriculture. Conservation of resources began in the field of natural resources during the first decade of this century with such men as Governor Pinchiot of Pennsylvania. Not until the depression of the 1930s did we really become sensitive to the problems of human resources, and then primarily in social insurance and income maintenance. Only in the 1960s have we had what is commonly referred to as the Manpower Revolution--largely centered in the urban areas. The recent recognition of the need for rural manpower services is bound to have an important effect on data requirements and provision for obtaining such data.

The creation of the Rural Manpower Service, with a mission much broader than the Farm Labor Service which it succeeded, is a first step in the recognition of new manpower services needs and consequent types of information necessary to support the program. At the same time, it becomes important to take account of the other manpower programs being administered by the Manpower Administration and their implications for manpower in rural areas. This is a time for increased coordination of manpower activities and services and, by the same token, greater cooperative efforts to utilize manpower resources and facilities in the states which can contribute to rural manpower services goals. For example, the problems confronting rural youth presently attending schools and preparing for the world of work which may take them away from the rural setting are a challenge to local rural manpower offices. What is the manpower contribution to education and skill development in rural areas, including guidance and counseling, for future work opportunities in non-rural areas? What kinds of data will assure more intelligent migration and labor mobility? What kinds of data are needed to assist in economic development and increased employment opportunities in rural areas?

Better knowledge of the clientele to be served by the rural manpower offices, the nature of the manpower and labor market problems confronting it, the types of services needed to deal with such problems is a prerequisite to effective delivery of manpower services in rural areas. Each of these elements incorporates data needs and uses. Such identification is important to determining the scope and character of the rural labor market data needs--especially of such an agency as the U.S. Department of Labor's Manpower Administration and its affiliated state and local offices.

Since the role of labor market data in shaping and guiding rural manpower services has been extremely limited, and the local offices engaged in providing such services have practically no technical or professional competence in the data field, the importance of technical assistance from other levels of administration cannot be overemphasized. With increased importance given to decentralization of manpower responsibilities and enlarged local authority for delivery of manpower services, this need in the rural areas becomes greater. If the local office is to function as a manpower center working closely with other local agencies engaged in the manpower field, rural labor market data are critical to effective program coordination. Until recently such interests have been limited to private sector employment, education and training. They need, however, to give more attention to public sector employment opportunities in rural areas as well. The recent enactment of the Emergency Employment Act is further evidence of the broadened need for manpower data in rural areas. I had not expected to comment at such length on this subject; however, it does deserve more attention than we have yet given it.

COMMENTS ON DEPARTMENT OF LABOR INFORMATION ON RURAL LABOR MARKETS

Varden Fuller
University of California

Of his 11 pages of script, Mr. Portner uses the first 1 1/3 to reaffirm why more rural labor market information is needed and the last 9 1/3 to list and briefly discuss the various items now and prospectively forthcoming from the Department of Labor (D.O.L.) that could be construed as somehow related to rural labor markets. Between these segments is the small paragraph that implies Mr. Portner would have been happier if he had been asked to discuss some subject other than D.O.L.'s contribution to the knowledge of rural labor markets. On his assigned topic ("the kinds of data on rural labor markets that are presently being provided by the Department of Labor"), Mr. Portner says candidly: "Unfortunately there is relatively little to be said on that subject since relatively little is being provided."

His subsequent brief descriptions of the several D.O.L. activities are constrained by this candor: no great claims are made to comprehensiveness, reliability, relevance, complementarity, or significance. In the absence of such claims it seems unnecessary and pedantic to nitpick about the defects and limitations of D.O.L.'s contribution to understanding rural labor markets.

Moreover, attempting to lecture this audience in detail about specific deficiencies in D.O.L.'s effort would quite obviously be a low productivity enterprise. It seems doubtful if many here and those involved either as producers or users of rural labor market data hold critical illusions about any of the sparse rural labor market data that are available. Furthermore, that D.O.L.'s contribution is not greater is, in my opinion, not attributable to inexpertise or lassitude among its technical and professional personnel. Knowledge for its own sake and derived independently of of program action has never established much of a beach-head in labor matters, and especially so outside of urban and industrial situations. I attribute this much more to the distribution of political clout than to predispositions of research professionals and administrators in D.O.L. and elsewhere.

New programs such as M.D.T.A. and public service employment do not exclude the most disadvantaged segments as did older programs such as unemployment insurance and labor relations. Consequently, as by-products, more can now be learned about the functioning of rural labor markets. And, as Dale Hathaway has pointed out here and on other occasions, our state of ignorance in this area is appalling. But, without devoted surveillance by those dedicated to building a stock of knowledge, the data derived from action programs become ephemeral and their value is lost.

I believe that knowledge-capitalists need to be vigilant both with respect to program by-product possibilities and also with respect to enterprises concerned with developing independent knowledge for its own sake.

I suggest that concerning program by-products, a change in perspective by research professionals is in order. Traditionally, we tend to sit back and wait until a magnitude of statistics have spewed forth from program administration; then we arise to undertake analysis. But by then the effort is more likely to be one of salvage rather than of production. By being more aggressive at earlier stages of program development and taking initiatives in conceptualization and measurement, knowledge-minded persons should be able to be considerably more productive.

Projects devoted to producing knowledge for its own sake also have a complementary though perhaps not dominant role. I will speak of two such knowledge gaps and how they might be approached:

(1) What is the relationship between rural residence and urban employment? Conrad Taeuber noted that 30 percent of the rural population lives within the boundaries of S.M.S.A.'s. It seems reasonable to suppose that this large fraction of the rural population is dominantly engaged in urban occupations. Taeuber also observed the possibility of substantial commuting by rural residents to urban employment from beyond S.M.S.A. boundaries. It seems reasonable enough that some organization with a budget ought to respond to Taeuber's suggestion that at least decennial Census data be derived on rural-to-urban commuting and if possible also on occupations and incomes of these commuters. The remaining non-urban labor force might well have characteristics that could cause a significant revision in contemporary perspectives on rural manpower needs.

(2) What is the extent of building an occupation from pieces of seasonal and casual employment? We have known from Census data for a long time that farm operators' incomes were increasingly better than their incomes from farming only—by reason of an expanding component of off-farm employment. And from ERS's Hired Farm Labor Force annual series, which has the great advantage of classifying hired farm labor participants by chief activity during the year, one can get a partial view of the extent to which rural incomes are earned from combinations of work in the farm and nonfarm sectors. Some significant facts show up in the Hired Farm Labor Force series concerning intersectoral work patterns. Persons whose chief activity is farm work are able, to a limited extent, to supplement their meager farm earnings with nonfarm employment. But to an even greater extent persons whose chief activity is nonfarm work are able to obtain supplementary farm work. Also, this series says something of the extent of hired farm work by persons whose chief activity is unemployment or not being in the labor force.

As Lynn Daft says in his paper, this once-a-year sampling is a supplement of C.P.S. and is too thin to support much detail and disaggregation. Yet, it is one of the most informative sources available on how a population goes about earning its living, and on how a segment of work gets done.

We will not know how much we don't know about non-urban labor markets until the obscurities are diminished by dismantling "rural" into its homogeneous components. It seems clear enough that none of the past or presently perspective contributions from D.O.L. are going to be effective in doing much about this. Their dependence upon Employment Service and unemployment insurance data are crippling disabilities in attempting to pierce through the dark spots of non-urban labor markets. Modest investments in exploitation of the decennial Census and in beefing up rural coverage of C.P.S. seem to me to be more promising possibilities.

DISCUSSION OF SESSION V

Varden Fuller

Many of Mr. Portner's references are to the Public Employment Program. Since Mr. Rindler is in the audience, perhaps he can give us some insights about the data used in that program.

Lester Rindler

The whole system of gathering data for public employment seems to me to be part of the comprehensive data described by Mr. Portner. It's not a separate system. It's a component of a larger system and only possible because of the big iceberg underneath the water: the resources in the state employment agencies, whose analysts have been determining and gathering data for some time. They have a discipline which they call in to gather this data and have some kind of control on its validity. Only because of this iceberg **are** we able to get a little information through the top of the water to use in this program, and it probably can be used for other purposes. The development of research to improve methods has been going on for some time and now, as Mr. Portner mentioned, and is being redirected toward efforts to find better ways of disaggregating data. Because it has been done mostly on the basis of entire labor market areas in the past, disaggregated data are needed to find out more specifically what the unemployment situation is in sections of areas. These methods were developed rather hastily last summer to meet an emergency need. They were done literally overnight by some of the people involved in methodology and, I think, accomplished the immediate need for this past year. Looking ahead toward the coming year, we're trying to give the state agencies who provide the data, more lead time to develop the information in a more organized way and also give them some technical assistance being developed by the work group Mr. Portner referred to. These are the state agency people including those from the Michigan agencies, who came to Washington to help us develop this methodology for the coming cycle, which begins in a couple of months. Beyond that, however, more needs to be done, which will require considerable more research effort in the refinement and development of techniques, whether by household surveys or by other means. Mr. Portner's program for research in this area would take this into account as part of an overall comprehensive research program being put into place, or that within the next couple of months will have more research of the kind Professor Cherne is doing at the University of Houston—based directly toward methodology. A year from now, or five years from now, this program or others like it will have a better means of getting information than we have now. And if the public employment program were discontinued, I think it will have helped to provide better and more useful local information, in rural as well as urban areas, to better serve clientele groups.

Varden Fuller

Meanwhile, the public employment program is not being held up until you get your statistics out. I'd like to hear how fast you think this is going ahead and what criteria are regional manpower administrators using. They approve the projects and proposals don't they?

Lester Rindler

Yes, they're on the applications of individual areas. Once it's established how much money is being assigned for each area, the program agent for that area, usually a mayor, a governor or a county manager, prepares an application in which he sets forth what he proposes to do, what categories of employment will be set up and what agencies will these people be employed in. Then the regional manpower administrator reviews the applications to make sure they comply with various provisions of the law, including provisions that state that significant segments of the unemployed be represented. One of these segments, for example, are migratory farm workers. In other words, the preamble of the law, says, "whereas because of the things we are selling, the first word is migratory farm workers. Because we have migratory workers and other categories of unemployed people, we need to do something about it. Therefore, we're establishing this law." One of the statistical problems we have is identifying significant segments of unemployed in local areas. This is a different kind of problem because it not only involves examining the local records of insured unemployed to see which segments were represented but also to consider uninsured unemployed. Finding out about unemployed migratory workers is a difficult analytical problem and one of the areas being explored.

Louis Levine

Is there a danger that because of political realities and tremendous pressures to get these monies out (in fact, they've been gotten out and more are on the way) you'll introduce, catch-as-catch-can, very questionable kinds of estimating techniques that won't stand up under inspection later on, and at the same time avoid or fail to introduce more valid techniques and methods which will be more meaningful in terms of purposes of the act? For example, I am not in agreement with some of the people who are so concerned about the validity or lack of validity of the building block. I think insured unemployment happens to be one of the most solid bases of unemployment data we have in the United States. The Census people know it very well when they do the CPS and get their unemployment figure. They always look at preceeding days and the whole week to know what the insured unemployment is. These things are interrelated, and that's all right. But when you get to rural areas and for rural counties under EEA and PEP programs, what are your building blocks? They aren't the insured base. They aren't the CPS. And they aren't the Census in the same way. What do you build as methodology? It seems to me you might well consider bringing together interested parties, both in and out of the government, to do a thorough kind of examination and recommend methodology for estimating on rural counties.

Collette Moser

In terms of measuring need in rural areas under the Emergency Employment Act, don't you think there was a fundamental error in using the months of May, June and July for the unemployment rate? Especially if you want to get unemployment on migrants and farm workers, etc. Unemployment during these months would not be very severe in many of the farm and rural areas.

Lester Rindler

When we started this last year, those were the months for which we had recent data and time didn't permit us to go back for a further analysis. The committee that worked in Washington last week recommended we use annual averages for purpose of allocation to avoid seasonality. In connection with Section 6, they recommend we use the months from September through February, which would cover most parts of the country and allow some reserve for areas such as southern Florida, Texas, and Arizona which have other seasons of high unemployment.

James Esshaki

I'm concerned about the remark you made about management personnel coming up with theory, etc., completely separated from the actual presence in the field. You have no idea of the difficulties and problems in getting data at the lowest levels and the use of those data by the operator, field specialist, and the Extension Service. This is being glossed over.

Louis Levine

What do you see as the alternative? Does the Household Survey overcome that?

Lynn Harvey

Dr. Levine, I strictly agree on the allocation of funds under EEA. As far as administration, in the rural counties, it becomes not really a management allocation, but an allocation of bone throwing, where they kept creditors off their back. Mr. Rindler mentioned that time didn't permit. We got that same thing at the local level. The committee didn't have time to pursue accurate data to really measure our needs and so they gave us an opinion. When are we really going to have the time in public programs? In our case it didn't measurably affect unemployment in a rural county. In some units where a 30 day layoff prevailed, funds were switched from one hand to the other. Unless we can cut off this one avenue of saying time doesn't permit, the local people won't become more involved in establishing priorities. And is this going to happen?

Lester Rindler

We have a longer lead time this year than we had before so I'm sure there will be better planning than last year.

Dale Hathaway

I'm far too young to remember, but having looked in some depth at the agricultural statistics, I'm reminded of their historical development. We're now paying attention to manpower, finding the same need for statistics and facing the same problems that faced the Department of Agriculture in the 1930s with things such as parity. Everybody thinks that all started back with the Constitution, but it was not, in fact, the case. They had to make up those numbers in the 1930s and then develop the statistical base. I agree with Lou Levine that these statistics ought to have an administrative purpose, and that the administrative channels can be used. The Department of Agriculture found out they could not depend, over time, on administrative channels, because sometime these statistics are developed for the administrative bureaucracy's purposes to defend and magnify programs. I think this will become extremely important when the FAP program gets tied into the employment, unemployment and statistics. And when we start tying in welfare control and manpower programs I have a feeling we're going to face a very serious difficulty in using administrative statistics which may be distorted, not deliberately by administrators, but by the people who they have to deal with because you've got to lie about whether you're working or not in order to get on the program, etc. It seems to me that, over time, to administer a really rational manpower planning program the Department of Labor will have to develop meaningful federal, state, and local statistics for administrative purposes, as well as a statistical system that goes to the lowest level, for instance the county unit of government—an independent system. We would have an awful mess if we depended upon the crop control program for tobacco in order to report tobacco acreage and yields. They had to go to an aerial photograph system to control the acres hidden in the hills. We will need a parallel development of statistics and I was afraid that you, Lou, were saying we could live totally with administrative statistics in this field.

Louis Levine

I think your points are very well taken, Dale. I agree completely. I would not rely on administrative statistics alone. As a matter of fact, administrative statistics fall victim to their own aggregations and summations and then are released that way. They have too little policing, too little sample testing and back checking from other sources to validate information given by a client who has some particular axe to grind. I'll never forget when we first started out to get at labor requirements and even employment. When aluminum was cut off at the beginning of World War II, many Manitowoc, Wisconsin employers, who were normally everything that is integrity and honesty, became overnight crooks. This is a reality that must be faced.

Cora Cronemeyer

I would like to discuss these plans of service. When I was writing our strategy paper, I talked to Dick Seefer in the Office of Policy Evaluation and Research. Based on nationwide statistics, he figured that the universe of need was about 7 1/2 million at that time, of which one-third or 2 1/2 million was in the rural counties and 5 million was in the urban counties. When you add up these state figures on the universe of need (and the Office of Technical Support allocated those rural and urban), the rural figures were about the same, 2 1/2 million; but the urban figures, instead of being 5 million, were 7 1/2 million, which looks like the economists in the major labor areas know how to do a lot of doctoring and blowing up. Some kind of policing needs to be done there before you begin giving out budgets.

Bob Hunter

A number of speakers have reinforced the fact that a number of the agencies in rural areas have services that have data. You referred to them, Lou. It is fairly obvious the Office of Management and Budget has created an 11th commandment—thou shalt coordinate. Is there at the national level in Washington, some interagency coordinating committee on the collection and analysis of statistical data, or social indicators? And how do we relate to it? What might they suggest?

Louis Levine

There is, and there are people in this room who can speak to it better than I. In the OMB and in the Division of Statistical Policy, etc., there are provisions for coordination and interrelationships. But once again, Washington is far removed from the local scene where the data originates and the coordination must take place. For instance: you issue an edict on C.A.M.P.S. and say that all these agencies will coordinate. But they don't hear about it in the local community where they are supposed to coordinate. I like to see it start turning the other way around. I've talked very critically of the Employment Service and Employment Security, some of it is merited, some isn't. But they do have technicians and statisticians, and they can read and write above the 8th grade level. There are people in some of the other agencies, not just in rural areas, who have no means of keeping records. Whether it's public assistance or the school system, a lot of fundamentals have to be considered—record keeping, data organizing and processing—before you can start coordinating. A lot of ground work must be done in this area of coordination before we can have that level of command and go into it.

Collette Moser

In terms of Mr. Portner's paper, I felt he was saying we really aren't interested in collecting information in a systematic way in order to look at problems, or as Dale suggested in a non-administrative way. But rather, our data simply come about because of some program which required a collection of information as a by-product. I think the one exception he gave to that was the occupation and industry matrix program. Are there any other programs you can cite which have had as the specific purpose the collection of a meaningful set of data so a labor market can be analyzed?

Davis Portner

Yes. As a matter of fact, we probably have more of those than the other. This is what Lou and Dr. Fuller were talking about. As I indicated earlier, the Manpower Administration gets certain information from the state employment security agencies and contractors, but there is much more going on out in the state than we're aware of. Just recently I tried to undertake a survey of what was going on and my wrists were slapped for inquiring by the Office of Management and Budget. They said that inasmuch as we were going to have manpower revenue-sharing soon (I don't know when soon is), it was none of our business what the hell was going on out in the states. As Lou contends, they're going to do what they have to do with the money you provide them. They'll meet their own needs and plan their own salvation, if any. The occupational employment statistics program potentially has a great deal of value, and unfortunately, statisticians are becoming mesmerized by their own discipline. They tend to try to extrapolate things which they should never do because by the time we get to 1980, people will have read some of the book and the projections will have been changed. This is rather unfortunate because they are being attacked in the Bureau of Statistics because their projections for engineers, physicists and other college educated people (of whom we've got too many right now) weren't close. Generally speaking, most of our programs were initially undertaken for specific program purposes. This whole labor market business, of which Lou was one of its early designers, came about during World War II, when we needed that kind of information for purposes of allocating manpower to war industries. It's been a little refined since then, but not much.

SESSION VI

THE U.S. DEPARTMENT OF AGRICULTURE AS A SOURCE OF RURAL LABOR MARKET INFORMATION

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USE OF DEPARTMENT OF AGRICULTURE DATA FOR ANALYSIS OF RURAL LABOR MARKETS

Lynn M. Daft
U.S. Department of Agriculture

My assigned topic is the use of Department of Agriculture data for the analysis of rural labor markets. However, with your indulgence, I propose to broaden the topic. Beyond discussing U.S.D.A. labor market data, I will briefly describe some of the more interesting analyses now underway or recently completed within the Department that pertain to this subject. Some of these studies use Department data, but many do not. The course I propose to follow, therefore, is this:

(1) First, I will describe the two principal employment data series published by the Department of Agriculture--the Statistical Reporting Service (S.R.S.) Farm Labor series and the Economic Research Service (E.R.S.) Hired Farm Working Force series--including a brief look at some of the limitations of these data. I will also list a few other Departmental data series that might be useful for particular purposes.

(2) Then, I will offer a thumbnail sketch of some of the analyses taking place within the Department of Agriculture that relate to the functioning of rural labor markets.

(3) Finally, I will conclude with some reflections on future information needs for support of staff analysis at the policy-making level.

U.S.D.A. Employment Data

S.R.S. Farm Labor Series

The Department of Agriculture has published estimates of farm employment since 1919 and farm wage rate estimates since 1866. Since 1950, the Department has published monthly estimates of the number of workers on farms, hours worked per worker per week, and farm wage rates [16]. The number of workers are divided into two groups--family workers and hired workers--and are available by state. Estimates of hours worked per worker are made by state for each of three categories--farm operators, other members of the farm household who worked 15 hours or more per week without receiving cash wages, and hired workers. Wage rates are estimated by nine different hiring arrangements and are estimated nationally and for states for which enough data are available to make reliable estimates.

Since April, 1970, S.R.S. has supplemented this series with data collected on an experimental basis through a quarterly probability survey. Though the present sample is not large enough to provide wage rates for all states, it is of sufficient size to provide wage rate information for California and the United States by five different hiring arrangements and by six job types.

The monthly estimates are based on a non-probability sample of 22 to 26 thousand farm establishments who voluntarily report on a variety of agricultural production topics. Estimates cover farm operators who worked one hour or more, unpaid family members of all ages who worked 15 hours or more, and hired workers of any age who worked for pay. The information is reported for the last full week, not including the last day of a calendar month.

There are a number of limitations of these data that any user should be aware of. The monthly estimates are based on an unrepresentative sample. Though corrective adjustments are made in the raw data, it is difficult to know how much of the bias has been removed. Also, since the information is supplied by the farm employer, there is some opportunity for double-counting when workers are employed by more than one farm firm.

The principal limitations of the monthly wage rate series are that: it does not adequately reflect wage rates paid by larger commercial farms; it tends to under-represent labor for fruit and vegetable crops; and it contains no specific data on the wage rates of workers paid by piece-rate.

The quarterly probability survey is designed to correct these limitations. On the basis of information collected from the survey, it would appear that piece-rate workers account for 10 to 25 percent of all farm workers in the United States and receive up to 50 percent more on a time basis than do other hired farm workers. Thus, the omission of this information in the monthly series represents a serious shortcoming.

In the future, the S.R.S. plans to phase out the present monthly series, replacing it with an expanded version of the quarterly survey that is now on trial. Though the introduction and extent of coverage of this new series will be determined by future budget levels, present plans call for displaying information by farm sales class as well as by job type.

The Economic Research Service Hired Farm Working Force Series

On the basis of data collected through supplementary questions to the Current Population Survey for one month of each year, E.R.S. annually publishes estimates of persons 14 years old and over who performed farm work for cash wages at some time during that year [13]. A probability sample of 50,000 households is the basis for the survey. Information is published on the number of farm wage workers, the number of days they worked at both farm work and nonfarm work, wages earned for farm and nonfarm work, migratory status, residence, chief employment activity, and various demographic characteristics. Information is displayed nationally and for four regions. The 1971 report will include a special section with information on dependents living in hired farm labor families in that year.

Principal limitations of this series are that: it does not provide information below the region; the lower age limit of 14 years might eliminate a substantial number of farm workers; no information is provided on the time of the year the work was performed; and, given the collection procedure, there is room for error of recall over the period of a year.[1]

Other U.S.D.A. Data Series

In addition to these series, the Department of Agriculture publishes a variety of data series pertaining to commercial agriculture. They include:

(1) annual estimates of man-hours of labor used for farm work by enterprise;

(2) annual indices of labor productivity in factories processing farm products, by seven different commodity groups;

(3) periodic estimates of labor productivity in the distribution of food products, including estimates for wholesalers, retailers, and away-from-home eating establishments;

(4) annual estimates of the personal income of the farm population, including income earned from nonfarm sources; and

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[1] *For a more detailed discussion of the construction and limitations of the S.R.S. Farm Labor series and the E.R.S. Hired Farm Working Force series, see [8, 17].*

(5) a monthly index of prices paid by farmers, including a farm family living component.[2]

While the information contained in these series does not bear directly upon many of the issues in rural labor market analysis, it can be of value in assessing that portion of the labor market adjustment that is associated with the agricultural sector. With information on trends in productivity, returns to labor and capital in farming, regional comparative advantages, etc., one is better able, for example, to predict the location and the magnitude of future labor displacement.

Now let me shift gears away from established data series and describe some Departmental analyses of various facets of the topic. Though some of these studies yield a product that is primarily data input for further analysis, most of the studies I will describe are designed for hypothesis testing. Given the time limitations in effect here, I will do little more than catalog them by four overall classes:

(1) labor market trends;

(2) poverty analysis;

(3) defining labor markets; and

(4) area adjustment.

Labor Market Trends

Replacement Ratios

Though it is not a series in the sense of those just described, the Department of Agriculture studies of potential replacement of the male population of working age come close. The first two Department studies of this subject treated only the farm population and covered the periods 1940-50 and 1950-60. The most recent examined the decade of the 1960s and covered the entire rural population [3]. In this analysis, comparisons were made between the number of young men expected to attain the working age of 20 and the number of young men in the working ages 20-64 at the beginning of the decade who were expected to die or reach retirement age (65) within the decade. The replacement ratio, as used in this analysis, is the number of expected entrants per 100 expected departures from the working ages. Replacement rates measuring the expected percentage increase in the number of males of working age were also calculated.

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[2] *There are, of course, limitations in the ways these series can be used. For more information, see the other volumes in the [17] series.*

The studies are based on the decennial Censuses of population. The measures are calculated by assuming that a certain mortality experience will obtain during the decade. It is further assumed there will be no migration into or out of the specified rural age groups. The result, therefore, illustrates a *potential* rural labor supply and changes in it. The effects of other economic and social forces, such as the declining demand for agricultural labor, may be added for the study of particular labor markets.

The most recent compilation provides replacement information for the decade of the 1960s for the rural population, by farm and nonfarm and by white and nonwhite categories for the United States, regions, geographic divisions, states, economic sub-regions, state economic areas, and counties.

Given the present budgetary prospects, it is not known whether the Department will publish replacement information based on the 1970 Census. I would hope we could. The data provide a useful basis, especially when combined with additional socioeconomic information, for anticipating the magnitude and distribution of disequilibrium in labor markets in the coming decade. For example, in looking at the replacement information for the decade of the 1960s, it was clear that the Coastal Plains region of the Southeast would experience a sharp rise in its potential male labor force. With an overall U.S. urban replacement ratio of 140 and an overall rural ratio of 177, for most parts of the Coastal Plains the ratio exceeded 250. For nonwhite males in this region, the ratio was even higher.

If we are able to publish information for the 1970s, I would hope we might:

(1) broaden the population covered to include more than rural;
(2) aggregate the measures along a few additional lines, including the Governor's sub-state boundaries; and
(3) include females as well as male.

As an adjunct to this information, it might also be possible to provide estimates for some of the adjustment factors that are required in applying the data. For example, analysis of the effects of female labor force participation, full-time attendance in vocational or higher education, migration, and changes in the demand for labor would greatly facilitate use of this information in predicting labor supply within given labor markets.

Estimates of Underemployment

Using information from the 1960 Census and a four variable adjustment formula, E.R.S. estimated underemployment by sex and by county [10]. The four variables used were:

(1) age/color mix;
(2) educational attainment;
(3) labor force participation; and
(4) civilian employment.

Beyond estimating underemployment rates, the study also estimated the number of man-years of economically unutilized labor for males and females in each county in the United States.

As with the replacement data, we are now in the situation of deciding whether this analysis should be updated to 1970. Though the estimates obtained through use of this technique are necessarily gross, perhaps they are about as precise as our present analytical skills will allow. I would happily entertain any suggestions you might have for improvement.

State Analysis

Much of our labor market trend work utilizes data collected through state agencies. Though there is great variability in the accuracy and coverage from one state to another, they often provide more detail than is available in those series having national coverage. One of our more recent studies used the unusually detailed information that is available for Pennsylvania to examine trends in manufacturing employment among small centers (1960 population of 1,000-25,000) in that state for the period 1960-66 [6].

Beyond measuring the overall employment trends for these centers vis-a-vis other parts of the state, the data were sufficiently disaggregated to permit examination of the effects of new plants, terminating plants, and plant expansion, each divided among 21 two-digit SIC codes. The major conclusions, incidentally, were that manufacturing employment in these smaller places grew considerably faster than in the remainder of the state; industry mix in these centers shifted markedly toward higher growth manufacturing industries; plant expansions were of key importance to the employment growth in these small centers; and net changes in employment tended to hide sizable gross changes, even within the same industry.

Poverty Analysis

The Department has recently completed a series of studies of rural poverty made under a cooperative agreement with the Office of Economic Opportunity. This included an analysis of the circumstances and characteristics of poor rural people living in three areas: the Mississippi Delta, the Ozarks, and the Southeast Coastal Plains [12]. The primary data collected in these studies provide a demographic profile of areas experiencing concentrated rural poverty in 1966. Results include information on education, occupation, unemployment, jobs held in the last five years, interest in adult training, interest in changing jobs or moving, etc. The studies were particularly revealing in their examination of limitations to labor force participation, finding that 70 to 79 percent were limited by age, disability, less than five years of schooling, or lack of a male head.

Other evaluations of this subject include a study of the rural poor who could benefit from job retraining in the East North Central States [11] and an analysis of employment effects among the rural poor as a result of new and expanded plants in each of four economically depressed areas in the South and Southwest [2]. These studies shed useful light on the performance of existing training programs and the income effects of job changes for the rural poor.

Defining Labor Markets

Multi-county units of observation are becoming increasingly useful for purposes of program administration as well as area and regional economic analysis. The local labor market is, of course, a key variable in identifying multi-county districts. E.R.S. is involved in the identification of these districts in two ways. Using the concepts developed by Fox, Berry, Friedman, Miller, and others, the agency has developed a prototype system of 482 basic economic areas covering the United States [15]. While these areas are hypothetical and predicated primarily upon economic factors, they provide a useful benchmark against which politically determined districts may be compared.

Under the 1968 amendments to the Housing and Urban Development Act, the Department of Agriculture was directed to participate in the administration of comprehensive planning funds outside metropolitan areas. In general, this consists of reviewing and commenting on the applications H.U.D. receives. As part of this responsibility, E.R.S. maintains a file of information about multi-county planning and development organizations, their authority, staffing, funding, and projects [1]. Though districts created by federal programs (such as those of E.D.A., O.E.O., the R.C. & D. program of the Soil Conservation Service, CAMPS, etc.) are included in the file, most of the emphasis is upon those districts delineated by state governors. At present, there are about 175 such districts in 38 states.

For purposes of analysis of labor markets, these delineations are highly useful. Beyond the fact that most of them conform to major labor sheds, they are fast becoming the geographic basis on which many important public decisions are made.

Area Adjustment

Another type of Departmental analysis having relevance to rural labor markets is that which focuses on the economic adjustment of local economies. And with those already described, the labor market is commonly only one of several dimensions examined, though it is a key one.

The Department has conducted a series of local impact studies under contract with what is now the Economic Development Administration [4, 9, 14]. These studies examined the short-term effects of various types of industrialization in rural settings in different parts of the nation. Their results shed light on the success of particular economic ventures, underlying reasons for their success or failure, and short-run effects on the local labor force.

In another study, the Department examined the impact of new industry on local government finances in small towns [7]. Though the impacts were typically small, the new plants were found to have had a negative net final impact on most of the affected local governments in the short-run. The negative impacts were kept small by the availability of local labor and few new residents.

In an analysis now underway for the House Agriculture Committee, the Department is identifying those portions of the nation that lie beyond effective commuting range of major urban/employment centers. For this study, an urban/employment center is a county with 25,000 or more urban population or 10,000 or more nonfarm wage and salary jobs; commuter counties are those in which 10 percent or more of all workers commuted to urban/employment counties in 1960. The purpose of the study is to develop a socioeconomic profile of that part of rural America for which industrialization on any significant scale is an unlikely prospect, with an eye to identifying other more viable policy prescriptions.

Just over two years ago, the Department conducted a study of potential mechanization in the flue-cured tobacco industry with emphasis on human resource adjustment [5]. On the basis of an examination of the institutional, technological, and demand factors affecting the industry it was concluded that "mechanization and new technology in this industry, and the resulting displacement of workers, could constitute a problem of substantial social and economic proportions unless new employment opportunities are developed." Yet, it was further concluded that specific information on the impact of displacement, alternative employment opportunities, and skill requirements was lacking—primarily because of a dearth of detailed local area data.

As an outgrowth of this earlier work, the Department has recently begun a series of studies relating to human adjustment in the tobacco industry in the decade of the 1970s. In part, this is a continuation and redirection of research already underway. Other facets, particularly a tobacco manpower survey and an analysis of nonfarm employment opportunities, represent a departure from earlier Departmental research. Both of these will require the collection of primary data.

Implications for Future Analysis

As I noted at the outset, Department of Agriculture data series are of somewhat limited value in analyzing rural labor markets. Their principal value is in judging the location, magnitude, and characteristics of labor needs in agriculture, including labor that is likely to be displaced. And even for this purpose, supplementary information is often required. One might conclude, therefore, that the Department of Agriculture should broaden its sights to collect data of greater detail and for that part of the rural labor force outside agriculture. But I am not so persuaded, and for a couple of reasons. First, I doubt that the U.S.D.A. provides an institutional setting hospitable to this assignment. Second, as I will explain in a moment, I suspect the higher payoff for U.S.D.A. resources will come from individual case analyses rather than from tinkering with data series designed for use on a broad range of problems yet in reality are of fairly limited value in addressing any of them in great enough detail.

The S.R.S. data collection network is a resource of sufficient flexibility that it can be used for the collection of certain types of additional information. For example, the Department of Labor has contracted with S.R.S. on an experimental basis for the collection of job vacancy information. I would hope there are other similar uses to which the S.R.S. network could be applied.

On the basis of my own personal experiences, I would conclude that much of the more policy-relevant analysis needed today cannot be based on broadly conceived data series. I am afraid too much research attention is now devoted to massaging aggregate data without ever coming to grips with the subtleties of the topic. In dealing with labor market issues, the researcher is faced with a complicated system of interdependent variables. Under these conditions, I suspect the data collection and handling burden exceeds our present capacity on anything but a case-by-case approach.

But having said this, I must also make note of our present shortcomings in the way we fit the pieces together. Too few of our study results are additive. A former Assistant Secretary of the Department used to describe (and still does) our research as "episodic." Though I always resented his saying it, I never denied it. As I think you can tell, this characterization is not entirely inappropriate for the E.R.S. research I have just described. And other federal and university research doesn't appear to be much different.

Researchers are noted for the high value they place on their independence and "academic freedom." Yet, from where I sit, it appears our future effectiveness is going to hinge in part on our ability to arrive at: a greater concensus on priority research needs; a clearer division of labor for getting that research done; and a much more effective packaging and communication of the results. This conference could serve as a precursor for such an effort in the field of rural labor market analysis. I hope it does.

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[13] McElroy, Robert C., *The Hired Farm Working Force of 1970*, Economic Research Service, U.S. Department of Agriculture, A.E. Report No. 201, March, 1971.

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COMMENTS ON USE OF DEPARTMENT OF AGRICULTURE DATA FOR ANALYSIS OF RURAL LABOR MARKETS

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The scope and usefulness of United States Department of Agriculture (U.S.D.A.) data on rural labor markets are rather limited, especially if one considers these data in isolation. For this reason the following paper presents a broad interpretation of the stated topic. The first of two sections contains comments specific to the U.S.D.A. data series outlined by Lynn Daft. The second and principal section outlines major analytic problems whose solutions appear to be extremely difficult or impossible until our data base improves. A few suggestions for improvement are offered. As a preview, it will be argued that the U.S.D.A. series are an inadequate base from which to analyze agricultural labor markets, pay no special heed to the rural poor, and are of almost no assistance in understanding rural nonfarm labor markets.

U.S.D.A. Data Series

There is little or no reason to dwell at length upon the detailed statistical and definitional features of these series. Such items are very important and should be understood by all users, but they have been discussed in familiar publications.[1] One of these is the report co-authored by James Holt whose contents have served as a valuable reference for me and which I expect he will discuss.[2] The following are a few highlights which deserve special emphasis.

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[1] *U.S. Department of Agriculture, Major Statistical Series of the U.S. Department of Agriculture, How They Are Constructed and Used: Vol. 7, Farm Population and Employment, Agriculture Handbook No. 365, Washington, D.C., U.S. Government Printing Office, 1969. In order to make more detailed comparisons with other labor statistics, see U.S. Department of Labor, Concepts and Methods Used in Manpower Statistics from the Current Population Survey, Bureau of Labor Statistics Report No. 313, Washington, D.C., U.S. Government Printing Office, 1967.*

[2] *James S. Holt, Reuben W. Hecht, and Neil B. Gingrich, Agricultural Labor Statistics, With Special Reference to the Northeast States, prepared under contract for the Office of Manpower Research, Manpower Administration, U.S. Department of Labor, in conjunction with the Northeast Agricultural Experiment Stations, August, 1970.*

A need exists for more reliable agricultural labor data by smaller geographic regions and/or type of agricultural enterprise—preferably both—on at least an annual basis, but preferably a lesser time period because of the seasonal nature of most agricultural production. For example, much better data on the tobacco work force is needed if good analysis is to be done of the impact of technological advance on the people and political entities affected. The present Statistical Reporting Service (S.R.S.) and United States Training and Employment Service (U.S.T.E.S.) monthly surveys are helpful, but their non-probability survey method in combination with a benchmark available only every five or ten years causes them to be subject to a great deal of doubt.[3] The quarterly surveys begun in fiscal year 1969 should be expanded, even at the cost of the monthly S.R.S. sample. It is encouraging to hear Daft's comments that this is the direction in which S.R.S. would like to move.

Although providing some information on personal characteristics, such as sex and age, the annual *Hired Farm Working Force* series compiled by the Economic Research Service (E.R.S.) contains no data on the *families* of hired farm laborers.[4] Such information is very important for policy purposes, especially in the case of migrant and seasonal farm workers. E.R.S. plans, as outlined by Daft, to include information on dependents should be supported.

I find it difficult or impossible to compare and contrast agricultural and non-agricultural labor statistics. Such a comparison is essential if we are to better understand such things as relative levels of welfare, relative productivity, incentives for migration, and the process by which macroeconomic events impact rural areas. Using the Current Population Survey (CPS) as a link, which has been proposed by Holt, would appear to be a reasonable approach to solving some of the problems of varying definitions with regard to type of worker included and time period covered, since both the U.S.D.A. and the United States Department of Labor

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[3] U.S. Department of Agriculture, Farm Labor, Statistical Reporting Service, issued monthly; U.S. Department of Labor, Rural Manpower Developments (formerly Farm Labor Developments), Manpower Administration, U.S. Training and Employment Service, issued periodically.

[4] U.S. Department of Agriculture, The Hired Farm Working Force, Economic Research Service, issued annually.

(U.S.D.L.) base a portion of their estimates on this survey.[5] There is an especially great need for better information on multiple job-holders; neither the U.S.D.A.'s standard practice (essentially counting all those who performed *any* farm labor) nor the Bureau of Labor Statistics' (B.L.S.) classification of workers on the basis of where they worked the most hours is very revealing. It would be useful if supplemental questions on multiple job-holding, currently appearing in the CPS at rather long intervals, were asked more frequently.

U.S.D.A. has made no attempt to oversample the economically or racially disadvantaged, despite the fact that in 1970, 21 percent of the farm population (1.9 million people) lived in poverty.[6] An important component of an attack on the problems of the rural poor must be an improved data base from which a more careful analysis may proceed.

Finally, the U.S.D.A. data series deal only with the *farm* labor force, rather than the rural labor force. Farm residents were only 18 percent of the total rural population in 1970; the ratio of farm residents to the population in non-metropolitan areas was an even smaller 15 percent (the farm population is not a subset of the non-metropolitan population, of course).[7] Although farm residents exhibit a higher incidence of poverty than the remainder of the population in non-metropolitan areas, the problem of rural or non-metropolitan poverty is much more than a farm-related problem. As previously mentioned, 1.9 million farm residents were in poverty in 1970; in the same year, 12.1 million people in non-metropolitan areas were in families whose incomes were below the poverty threshold.[8] One final point, somewhat surprising to me when I first discovered it, is that even among those families classified as "farm operator families" average off-farm income exceeded average net farm income by nearly $500 in 1970.[9]

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[5] *Holt, op cit., p. 67.*

[6] *U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 81, "Characteristics of the Low-Income Population, 1970," U.S. Government Printing Office, Washington, D.C., 1971, Table 3, pp. 34-35.*

[7] *Selected figures from U.S. Bureau of the Census, Census of Population: 1970, General Population Characteristics, Final Report PC(1)-B Series, U.S. Government Printing Office, Washington, D.C., 1971.*

[8] *U.S. Bureau of the Census, Current Population Reports, op cit., selected figures.*

Analytic Problems and Implied Data Needs

The problems in the data base outlined below are not to be attributed solely to the U.S.D.A. They are probably best thought of as "holes" or "areas which have fallen between the slots." Improvements are likely to be a result of cooperative efforts by the U.S.D.A., U.S.D.L., U.S. Bureau of the Census, Social Security Administration, and others. Of course, enthusiastic support--accompanied by a commitment of funds--on the part of the U.S.D.A. would be of major assistance in finding solutions.

There is no accepted *measure of living costs in rural areas*. As a result, we are not able to compute accurate estimates of such central matters as the incentives for and returns to migration, the distribution of real benefits from public subsidy programs, and the relative welfare of rural and urban people. Such cost of living information does exist for urban areas in the form of family budgets computed for three levels of living in various cities and regions.[10]

The foundation for such a measure must lie in a well-designed consumer expenditure survey including both urban and rural areas. The 1960-61 consumer expenditures and income survey, whose primary purpose was to revise the weights used in the Consumer Price Index (CPI), was a promising development. The B.L.S. and U.S.D.A. cooperated so that for "the first time since 1941, information would be available for a cross-section of the population in urban, rural nonfarm, and rural farm areas of the United States; and, for the first time since 1935-36, from a sample large enough to permit extensive cross-classification of rural families."[11] As a result of this effort, significant steps were subsequently taken towards the derivation of a cost of living index including rural areas.[12] Based on this apparently successful experience, one might reasonably expect that the current consumer expenditures and income survey, whose primary purpose is to again revise the weights in the CPI, would incorporate knowledge gained from the 1960-61 experience and represent another forward step. But the opposite is true.

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[9] U.S. Department of Agriculture, Farm Income Situation, Report 218, Economic Research Service, July, 1971, Table 5D, p. 72.

[10] U.S. Department of Labor, Handbook of Labor Statistics, 1971, Bureau of Labor Statistics Bulletin 1705, U.S. Government Printing Office, Washington, D.C., 1971, Tables 126-139, pp. 290-303.

[11] U.S. Department of Labor, Consumer Expenditures and Income: Survey Guidelines, Bulletin 1684, Bureau of Labor Statistics, U.S. Government Printing Office, Washington, D.C., 1971, p. 7.

Although there were discussions between their representatives, the U.S.D.A. and B.L.S. decided not to cooperate in the collection of the survey data. As a result, the rural portion of the sample is smaller than 10 years ago. Only about 800 farm households will be interviewed, as compared to 2,500 in 1960-61; this number is undoubtedly much too small to support extensive cross-classification. The problem is much less severe among rural nonfarm households where approximately 3,700 will be interviewed. To add to the note of irony, the U.S.D.A. will in all likelihood be conducting similar surveys of its own on an independent basis in the near future; the definitions and time periods will likely differ to a sufficient extent to make combining the samples impossible. The first such planned survey is one which will be used to update the family living component of the prices paid portion of the parity index; the second is a repeat of the household food consumption survey last done in 1965.

There would appear to be obvious benefits to greater coordination and consolidation of consumer survey efforts. In attempting to discover why it has not occurred, I have developed three major hypotheses. First, budget pressures limited the options of both the B.L.S. and U.S.D.A.--B.L.S. could not obtain funds from the Office of Management and Budget for a larger rural survey, and the U.S.D.A. considered the revised B.L.S. sampling procedures as too expensive, given their limited aims. Second, inertia tends to prevail, especially under budget pressure; agencies tend to do only what is needed to maintain old data series, be they urban price indices or farm parity ratios. Third, units are unwilling to give up historically held functions to other government agencies.

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[12] *For example, see J. Patrick Madden, Jean L. Pennock, and Carol M. Jaeger, "Equivalent Levels of Living: A New Approach to Scaling the Poverty Line to Different Family Characteristics and Place of Residence," in Rural Poverty in the United States, A Report by the President's National Advisory Commission on Rural Poverty, U.S. Government Printing Office, Washington, D.C., 1968, pp. 545-552; and Jean L. Pennock, "Cost of Raising a Child," Paper presented at the 47th Annual Agricultural Outlook Conference, Washington, D.C., February 18, 1970.*

A second area of need is for *improved measures of unemployment and underemployment* in rural or non-metropolitan areas. At the present time, we possess only a very limited knowledge of how the business cycle impacts non-metropolitan people and industries. The annual employment data for metropolitan and non-metropolitan areas published in the *Statistical Abstract* since 1968 are just enough to whet one's appetite--the percent unemployed appears to have risen less in non-metropolitan areas than in metropolitan areas in the recent recessionary period.[13] These data, based on the CPS household survey, are of even more limited usefulness when one is interested in the differential impact of the business cycle on metropolitan and non-metropolitan industrial establishments, since many people commute to work across the boundaries of metropolitan areas.

It would be desirable, and maybe possible without undue strain on budgets or questionnaire length, to refine the CPS survey to include unemployment estimates for metropolitan areas, metropolitan belts (probably defined as counties within a 50-mile radius of metropolitan areas), and other non-metropolitan areas on a quarterly basis; one would also like a means of adjusting for those commuting across sector boundaries. The true ideal, of course, would be a measure of the full-time equivalent jobs in rural areas, especially agriculture, which could be compared with the labor force to reveal underemployment as well as unemployment. Huge conceptual and measurement problems must be surmounted before this can be a reality, however.[14]

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[13] U.S. Bureau of the Census, Statistical Abstract of the United States, U.S. Government Printing Office, Washington, D.C., issued annually.

[14] The most extensive effort along these lines up to now is probably that of Thomas T. Williams and Robert B. Glasgow, "Developing Estimates of Economic Underemployment for the Rural Labor Force of Seven Southern States," American Journal of Agricultural Economics, Vol. 50, December, 1968, pp. 1432-6, whose methodology was extended to the entire U.S. by Ronald E. Kampe and William A. Lindamood, Underemployment Estimates by County, United States, 1960, Agricultural Economic Report No. 166, E.R.S., U.S.D.A., 1969.

Another facet of the rural labor market about which we need better information is *public employment*. Although an excellent source of data on many questions concerning employment, the annually published *County Business Patterns* does not include state and local government employment (agricultural employment is also excluded).[15] The *Census of Governments* appears too infrequently to be integrated into many analyses, and the annual publications on *Public Employment* do not provide sufficient detail for those of us interested in examining rural and non-metropolitan patterns and trends.[16] What is needed is the collection of data on state and local government by county and in a manner comparable to the *County Business Patterns* information; such a procedure is used for federal employment, and the data are presented in an appendix to the main body of material in the *County Business Patterns* publications.

The last area of need to be discussed here is improved knowledge of *the distribution of benefits from enterprises receiving federal subsidies designed to encourage rural development*. Substantial sums have been allocated to rural, depressed areas--and there are signs that even greater amounts will be forthcoming in the near future. As has been pointed out by others, the lack of knowledge of distributional impacts is a general problem inhibiting our ability to design and implement effective public policy.[17] In this case, it would seem to be especially important because of the uncertainty surrounding the extent to which rural development, in general, and industrialization, in particular, benefit the rural poor, despite the fact that their presence is one of the primary justifications for the programs.[18]

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[15] U.S. Bureau of the Census, County Business Patterns, U.S. Government Printing Office, Washington, D.C. (first published in 1946 and issued annually since 1964).

[16] U.S. Bureau of the Census, Census of Governments, U.S. Government Printing Office, Washington, D.C. (taken at 5-year intervals); U.S. Bureau of the Census, Public Employment, U.S. Government Printing Office, Washington, D.C. (issued annually).

[17] For example, see James T. Bonnen, "The Absence of Knowledge of Distributional Impacts: An Obstacle to Effective Public Program Analysis and Decisions," in The Analysis and Evaluation of Public Expenditures: The PPB System, A Compendium of Papers, Joint Economic Committee, 91st Congress, 1st Session, U.S. Government Printing Office, Washington, D.C., 1969, pp. 419-449; and later appearing as "The Absence of Knowledge of Distributional Impacts: An Obstacle to Effective Policy Analysis and Decisions" in Robert H. Haveman and Julius Margolis, eds., Public Expenditures and Policy Analysis, (Chicago, Illinois: Markham Publishing Company, 1970), pp. 246-270.

One hopes that in the future the U.S.D.A. and other agencies engaged in rural development will improve the collection of data on the economic and racial-ethnic characteristics of those who benefit. This would greatly aid our attempts to understand the feasibility of such a development policy as a means for attaining alternative goals and, more specifically, the differences in impacts arising from different types of industrialization. Rural development, of course, does not have to impact the rural poor in order to be a desirable policy in the eyes of many people; to these, it can be justified as a part of a national growth policy designed to decrease the tendency of people and industry to congregate in large metropolitan centers. My concern is that we be explicit concerning the goals of rural development and the evidence supporting it as a strategy for efficiently reaching those goals. To the degree that industry is subsidized in order to improve the well-being of the rural poor, we should consider not only collecting the necessary data to perform an evaluation but also *requiring* subsidized industries to hire a quota of disadvantaged people—a policy which Ray Marshall has recently suggested be explored.[19]

Summary

In summary, it has been argued that the present U.S.D.A. data series could be improved by making greater use of probability samples, collecting more data on multiple job-holders, and oversampling the poverty population. After pointing out the importance of the rural nonfarm population and noting the lack of attention given these people by the U.S.D.A., four areas of need with respect to rural labor markets were outlined: (1) a cost of living index including rural areas, (2) improved measures of unemployment and underemployment in non-metropolitan areas, (3) better information on public employment in rural or non-metropolitan areas, and (4) the distribution of benefits from enterprises receiving federal subsidies designed to encourage rural development.

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[18] *For evidence that industrialization does not, at least in some circumstances, benefit the rural poor, see Comptroller General of the United States, The Effects of Federal Expenditures on the Economy of Johnson County, Kentucky, A Report to the Congress, U.S. General Accounting Office, Washington, D.C., February, 1972; Irwin Gray, "New Industrialization in a Rural Area," Monthly Labor Review, June, 1969; Lloyd Bender, Bernal Gree and Rex Campbell, "Trickle Down and Leakage in the War on Poverty, Growth and Change," October, 1971.*

[19] *Ray Marshall, "Some Rural Economic Development Problems in the South," Center for the Study of Human Resources, the University of Texas, Austin, Texas, December, 1971, pp. 23-24.*

COMMENTS ON USE OF DEPARTMENT OF AGRICULTURE DATA FOR ANALYSIS OF RURAL LABOR MARKETS

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Society's cognizance of its need for knowledge about itself, and public responsibility for developing this knowledge are attested to by the massive public resources expended annually in the collection and dissemination of statistics. In agriculture, in particular, an appreciation of the value of accurate statistical information has given rise to the extensive agricultural data collection and estimation activities of the U.S. Department of Agriculture—in particular the Federal-State Crop Reporting Service, the U.S. Department of Labor, and the Bureau of the Census.

In examining national sources of economic and social statistics, one is struck by the magnitude of data available on almost every aspect of agricultural inputs and products. One is also struck by the magnitude of the data available on almost every aspect of employment and the labor force. In both cases, however, agricultural labor stands in marked contrast to the general picture. Agricultural labor is given scant attention in general labor force and agricultural statistics. The result is that we know relatively little about the agricultural labor force, its composition, or its employment.

Labor data should be functional; that is, the collection of data should arise out of specific needs and be disseminated in such a way as to fill these needs. Thus an assessment of rural labor data and recommendations for its improvement must begin with an assessment of the potential users and uses of such data. I have taken such a functional approach in this discussion.

Workers' Labor Data Needs

Labor data of all types, including farm labor data, are needed by actual and potential members of the rural labor force as a basis for individual decisions about labor force participation. Decisions of labor force participants are affected only by those realities of which they are aware. Temporary and marginal workers, who constitute an important part of the rural labor force, are particularly likely to make decisions about whether and how to participate in the labor force based on the information most readily at hand.

Actual and potential rural workers need information about job openings and the wage rates, fringe benefits, and working conditions prevailing in these jobs. Ideally, workers should have access to such information about local and non-local jobs. Migratory farm workers, in particular, need a reliable and current source of information on non-local job vacancies. The various state Employment Services are the principal agencies mandated to provide such information.

Industry's Labor Data Needs

Actual and potential employers are a second important class of rural labor data users. Employers need labor market data for sound business planning. Improved knowledge of present and expected labor market conditions will enhance economic efficiency, ultimately benefiting not only the employer but workers and society generally.

Data needed by employers for business planning purposes relate to the quantity and quality of labor resources available in the labor market, and the wages, fringe benefits, and conditions of employment necessary to obtain a specific quantity and quality of worker. Most farm employers and other small rural employers have had little experience or training in labor market and personnel practices. They are active in the labor market only infrequently. They cannot accumulate for themselves the knowledge and experience of local labor market conditions of a large employer with a trained personnel department who is frequently or continuously in the labor market. Thus, these rural employers are nearly totally dependent on secondary sources for their labor market information.

Data on non-agricultural employment, unemployment, and earnings are available for many urban labor markets, but little data on agriculture or rural labor market conditions are included in such statistics. Rural employers have little way of knowing about employment, wages or earnings, or job vacancies and their characteristics in their area.

In addition to general labor market information, employers seeking personnel also need data on specific workers available, their skills and experience, and the conditions under which they are available.

Again, large employers can determine, through testing and evaluation, the data relevant for their purposes. Small employers, including many rural employers, have limited experience and ability at evaluating prospective workers and require more detailed prior knowledge of individual workers' characteristics.

Employers of seasonal labor in areas where seasonal farm labor demand is high relative to the size of the local labor force face an additional problem in that many employers seek seasonal workers at the same time. The magnitude of this total demand will have considerable impact on labor market conditions during the season in which workers are required. In such areas producers need information on the likely magnitude of total demand so that adequate preparation to obtain the required workers can be made. The primary source of local labor market information for rural employers is, again, the local office of the state Employment Service.

Data Needs for Public Policy Formulation

In addition to workers and employers, public policy-makers are important users of rural labor market data. Society places the responsibility for monitoring public welfare on the public policy-maker. He must be aware of changes taking place in the economy and labor market and understand their implications so that measures can be planned to identify and avert potential problems.

Data on employment, unemployment, and job vacancies are necessary to measure the adequacy of the work force and to plan for the maintenance of full employment. Knowledge of wage rates, actual earnings levels, fringe benefits, and working conditions are necessary to assess the welfare of individual workers. These data should be comparable among farm and nonfarm jobs. Data on units of work to be done by commodity and location and worker productivity by type of worker are necessary to indicate the direction and magnitude of fluctuations in labor demand and supply. Finally, knowledge of the characteristics of workers over time is necessary if public policy-makers are to be able to understand the implications of economic growth and change and operate effectively on target labor force groups in implementing solutions to problems.

The data needed to monitor the public welfare and plan the broad outlines of national manpower policy are gross in nature. In monitoring more local problems and in implementation of public policy, labor data needs are likely to be more refined and specific. These data must relate to specific industries and occupations, types of workers, time periods, and geographical areas. Unfortunately, the labor market data available present just the opposite picture. As the focus of labor data needs becomes more specific and refined, the completeness and precision of the data diminishes until one is left at the local level with practically no data at all.

In considering agricultural labor data in particular, one must be candid about the problems involved. "Agriculture" is no more a single industry than is "manufacturing." It is a group of industries producing many different products, using different production techniques, and requiring different skills. It is a spatially extensive group of industries composed of many small producers. This particular characteristic poses severe problems in data collection. The fact that many branches of agriculture are subject to great seasonality further compounds problems of labor data collection and interpretation.

Clearly the U.S. Department of Agriculture is not capable of supplying all these labor data needs, nor does it have a mandate to do so. In assessing the Department's labor data activities, the relevant questions are: (1) what needs do the Department's data seek to fill and how well do they do it, and (2) what areas of overlap and omission exist in the labor market data collection activities of U.S.D.A. and other agencies and what can or should the Department do to correct these.

The Economic Research Service has undertaken numerous studies of specific national, regional, and, occasionally, local problems requiring the collection, analysis and dissemination of labor market data on an *ad hoc* basis. Many data needs will have to be treated in this way and certainly the Department should be encouraged to continue and in fact expand these activities, particularly those aimed at identification of emerging social problems.

We are particularly concerned today with the on-going statistical series of the Department, of which there are essentially three:

1) The Statistical Reporting Service's monthly mail survey from which estimates are published monthly in *Farm Labor*.
2) The Statistical Reporting Service's quarterly enumerative survey, from which a few estimates are also published in *Farm Labor*.
3) The Annual Hired Farm Working Force Reports, for which data is collected and analyzed by the C.P.S. but is financed and published by the Economic Research Service.

The data presented in these series pertain almost exclusively to agriculture. Comments and recommendations for improving these series are discussed in more detail in [1].

One of the most basic statistics for labor force analysis is employment. There is an urgent present need for farm employment statistics by functional farm types and geographic regions. There is presently no source of labor force statistics which disaggregates the agricultural industry into its functional parts or that yields statistically reliable estimates for states or smaller areas. The S.R.S. mail survey data and the U.S.T.E.S. seasonal workers estimates approach what is needed, but neither source has much statistical precision nor includes sufficient significant detail. Furthermore, the two series are not sufficiently similar in coverage or concept that they are additive.

The S.R.S. enumerative survey could provide considerably more reliable data on farm employment and earnings than are provided by the present mail survey. Careful selection of four survey months would probably provide as much useful data as the present less accurate monthly estimates. At least once a year the survey sample should be sufficiently large to provide data for functionally useful geographic areas and farm types.

In addition to providing data on total farm employment, the enumerative survey would provide an opportunity to collect a modest amount of data on characteristics of farms and workers. Surveys to date have contained data on farm type, value of sales, and amount of paid and unpaid family labor. Worker data collected included type of worker, wage rate and method of payment, total hours worked and wages earned. Other characteristics of farms and workers could also be enumerated.

The enumerative survey could also serve as a source of benchmark data for an improved seasonal farm labor data series by U.S.T.E.S. Such a series would provide a useful source of data on monthly changes in farm employment, and on the source and activity of workers. This would also require a number of improvements in U.S.T.E.S. data collection procedures.

Wage rates and earnings data are other basic labor force statistics. Wage rates and hours of work in an industry are indicators of the welfare of workers in that industry and the competitive position of employers in the labor market.

Measurement and interpretation of wage rate and earnings data in agriculture are complicated by several characteristics of agricultural employment:

a) numerous methods of payment and combinations of cash wages and perquisites;

b) absence of a specified work day or work week in many permanent jobs;

c) preponderance of piece rates in seasonal jobs;

d) the extremely wide range in composition of the hired farm work force with respect to age, skill levels, and other characteristics affecting productivity; and

e) the wide range in skill requirements and decision-making responsibilities required of the hired farm work force.

These characteristics make the calculation of average wage rates and earnings and the interpretation of such data nearly meaningless. On the other hand, reporting wage data and earnings of agricultural workers by meaningful job descriptions and worker characteristics would be prohibitively expensive. Valuing perquisites is also extremely difficult.

Wage rates, collected by an enumerative survey for specific characteristics of workers and farms, would improve the accuracy and usefulness of such data. Earnings of piece rate workers, not presently included in the S.R.S. Crop Reporting Survey, should also be included. Although this would not eliminate all problems in interpreting wage rate data, such as the combining of various payment arrangements, it would greatly increase the utility of such data.

Even under the best of circumstances, the comparison of farm and nonfarm wage rate data is hazardous because of the difficulty in relating farm wage data to hours of work, the valuing of perquisites, and the tremendous range in characteristics and productivity of individual workers. Annual earnings of individuals and households provides a more meaningful basis for comparison of the economic welfare of agricultural and non-agricultural workers. National data for broad occupational groups are reported in the *Current Population Reports* of the U.S. Department of Commerce. More detailed data by region, characteristic of workers, and labor force participation are reported in the E.R.S. *Hired Farm Working Force Reports* for hired farm workers only. Since the Current Population Survey is the data source for the *Hired Farm Working Force Reports*, the collection and reporting of comparable nonfarm data would be possible. The reporting of comparable data on rural nonfarm and non-rural workers and the pairing of earnings data of farm and nonfarm workers with comparable characteristics would provide a far better basis for comparisons of earnings of farm and rural workers and the monitoring of their welfare than are afforded by the present data.

A more sophisticated knowledge than we presently possess of the composition of the rural work force and the characteristics of its members is required to properly assess the welfare of workers and the adequacy of labor supply, as well as to serve as a basis for program planning and implementation. As in the case of employment statistics, the most pressing need is for data disaggregated into meaningful units. The agricultural labor force, in particular, includes workers with widely different skill levels working at a wide variety of jobs. It includes many workers who are not in the labor force most of the time or who are primarily engaged in other activities. Average characteristics of such a diverse group probably do not describe any component of it accurately.

Unfortunately, the cost of obtaining data on characteristics of the rural work force on a regular basis in meaningful detail would be prohibitive. From a practical standpoint, the data obtained in the Census of Population and the E.R.S. Hired Farm Working Force Survey are about all that can reasonably be obtained. However, the utility of the data from the latter source is again impaired by the lack of comparable data on nonfarm workers.

As I view it, the U.S.D.A.'s role and capabilities limit it to the collection of meaningful agricultural labor data chiefly to service social monitoring and public policy needs, while other agencies, chiefly U.S.D.L., has responsibility for other labor market data in rural areas. While the wisdom of this division is questionable, it probably is a practical and political necessity. Other speakers at this conference have discussed the improvement of rural labor market data collection and dissemination activities of these other agencies. However, as a closing remark, I would like to make a plea for real cooperation between the agencies involved in defining, sampling, and enumeration procedures and in data analysis and presentation so the combined sources add up to a uniform whole.

My dream of statistical Valhalla would be a situation in which U.S.D.A. and U.S.D.L. could occupy the inside front or back covers of their publications dealing with agricultural (rural?) labor data with something more useful than a lengthy description of why their data are not comparable.

DISCUSSION OF SESSION VI

Varden Fuller

I'm going to encroach on your discussion time briefly because I want to say some affirmative things about the Department of Agriculture. As an academic user, I have used two of the Department's series which have been mentioned, and I would like to give a little affirmative testimony on them. The Statistical Reporting Service, derived off the Crop and Livestock Reporting Service of Farm Labor, puts out employment wage estimates. In the definitions used in the series you can't tell much about employment in terms of magnitude, or about the composition of employment because it only gives the number of persons who did a little work at some time or other. The Farm Labor Series has some statistical regiment behind it, and even if you don't know what it means at a certain point of time, you can fairly safely set up the change in magnitude over time and get a fair derivation of how much change there has been in employment by farm operators, unpaid family workers, and wage workers. For those of us interested in statistical studies concerning farm employment, we may not have a better continuous source in terms of changes in magnitudes, whatever the magnitudes. Let me say a little about this one for which I have a bit of fondness. It's a source of a lot of misinformation, because as you heard Conrad Taeuber say yesterday, it's a special derivation of information from the annual CPS reports on anybody who did any farm work. It's a count of everyone who did a 1/2 hour or more of farm work for wages. In the hands of people who don't really study it, it appears that an awful lot of people are working. But when you look at it for awhile, you find it counts mostly the unemployed. There are more people, whose principle activity in a year is unemployment, who do farm work than there are farm workers who do farm work. A lot of little niceties can be gleaned from this if you sit down and work on it. One of the myths that has prevailed for a long time in this country is that farm workers don't make adequate wages in agriculture, particularly the seasonal and migratory people, but that they always have the opportunity to supplement their earnings by nonfarm employment. One of the sad things you can find out by studying this report closely is that not very many people whose principle activity is farm work get nonfarm employment. In fact, the reverse is true. In this very casual kind of labor market, the people whose principle activity is nonfarm work are able to obtain supplementary farm work in about three times the proportion that it works the other way. The averages are there, but you have to pull them apart because it's confusing. If you don't, they can show that those who are principally nonfarm workers do a lot better in nonfarm work than in farm work. But when they shift into farm work, they do about the same in terms of earnings per day as farm workers. There is also a kind of interesting gimmick there. You can probe away and find that white males with an education are able to capitalize on their education in nonfarm work, but they can't do a thing about it in farm work.

Howard Dellon

Education's a liability in farm work?

Varden Fuller

Well, it's not a liability to be a white male.

Howard Dellon

What about education?

Varden Fuller

Yes, it is. There is no sense getting more education if you are going to be a hired farm worker, except if as a hired farm worker you have an opportunity to work in nonfarm work. Then there is a result from education. This series does give you enough breakdowns so you can find out a little about what happens in this amorphous thing. They're aggregated in a sense of being national and in large, regional, but at least you can pull them apart to see what happens to the people who do farm work, in terms of their average employment experience and average income experience. This is a nice series that was concocted long before the Department of Agriculture became the Department of large farmers and agribusiness. They managed to keep this obscure enough that so far it hasn't been politically written out of existence, and I hope you won't let it be.

Jim Holt

There are two other fantasies that publication dispels that should be mentioned too. One is that all farm workers are migrants. The data there clearly show that only about 10 percent of hired farm workers are migrant workers. The other is, and this is more difficult to say with precision, that the nonmigratory farm workers are about as bad off economically as the migrants. Many of them are worse off.

Varden Fuller

It could be turned around the other way. You could draw the inference that there are no gains to being a migrant.

Howard Dellon

Another thing I got out of that is that most of the people who work on the farm are not normally in the labor force, by any definition.

Varden Fuller

Either unemployed or going to school, but then, of course, if you subtract those who have worked 25 days or less, the situation clears.

Dale Hathaway

Lynn Daft mentioned a little noticed publication of the replacement ratio which does get down to the county level. I really believe that people who are interested in manpower planning should pay more attention to that. One thing that is relatively certain, barring some natural catastrophe, is that these people can be figured fairly carefully in advance. You know you face either a significant employment expansion problem or out-migration and will have to deal with it in manpower planning. This may be the potentially most useful county level data we have to use as a base, and it is almost totally ignored. These are pretty accurate figures because of the way they're put together. I hope they will not only be continued but, that females will be added.

Louis Levine

I'm distressed because when you referred to the other publication for farm worker wages sometimes used aggregates, it seems to me it primarily shows a large constituency, but the constituency really isn't there. This actually works against the interests of those people. The same people who argue for a large constituency have no concern for their welfare and it takes an academician to unearth these niceties. The migrants and the nonmigrants suffer equally, total earnings are about as bad and they go into the farm work from nonfarm work but only for small periods. There isn't enough of a geographic break to provide a basis for doing a local labor market analysis of the structure. There is no structure, unfortunately. Until we start getting some of that, we are not going to be able to define rural farm and nonfarm labor markets.

Varden Fuller

I'm sure that the Department of Agriculture has not capriciously kept its samples small.

Louis Levine

I think it has political value on the "hill" in a broad aggregate. But that doesn't help what ought to be the disaggregative values: development of social good for categories of people who need help.

Ray Marshall

You can make the same comment about operators. In fact, it may be more so of operators than of agricultural workers.

Louis Levine

I think this is true. This also brings up another point: the continuous discussion about the disappearing family farm. We keep talking about the dawn to dusk farm operator.

Cora Cronemeyer

The agriculture is interesting, but other material he has mentioned is much more significant to the Rural Manpower Service than these reports on agricultural labor. One of these is the county analysis of underutilization of workers. I have gone through that one worked out on the basis of 1960 data. Unfortunately, this is not necessarily known to employers interested in plant location even though it is apparently designed for them. It seems to me that would be an exceedingly important thing for us to use in terms of planning strategy. We ought to be doing diagnosis, determining what will work in one county or won't work in another. I think that very clearly brings out that in some counties you have workers with the sufficient educational level but that their skills are not being totally utilized. Others are lagging areas because the educational level is generally low. You can't apply the same program in all places.

Varden Fuller

Why don't we take that one? Do you want to respond to that?

Lynn Daft

Do you have any comment on the methodology? I feel very shaky about what the data mean.

Cora Cronemeyer

I wish some people like Mr. Little and others involved in plant location would look it over to see if the methodology does come up with what they need to know about underutilization. I'm not well enough acquainted with plant location to know how useful it is.

Lynn Daft

Is it useful from the standpoint of the Department of Labor and the administration there?

Cora Cronemeyer

It is hard to say.

Ray Marshall

Does it bother you that the decision is based on data?

Cora Cronemeyer

Yes, it does. But apparently it is going to be updated. It would show, for instance, in what counties we need to introduce training programs. I also found that it shows the highest net in-migration and net out-migration, and that there is some correlation with the educational indexes.

Varden Fuller

Do you have a second point you need to make now?

Cora Cronemeyer

The other one that ought to be extremely useful to us concerns showing the population living within a commuting radius of towns of 25,000 or more. That would help us identify the other thing he mentioned in his strategy paper: that there are jobs within commuting distance, but people maybe can't afford or for some reason don't commute there.

Lynn Daft

We're assuming that analysis will appear in a House Agriculture Committee print.

Jerry Somers

In reference to plant location, Lynn mentioned an unpublished study on the effect of location, and I would like to know more about it. This is a neglected area for a really rigorous analysis of rural labor markets, including a study of plant needs, the supply potential and training needs, etc. We can learn a great deal about rural labor markets by studying those who have been attracted to these plants—their backgrounds, where they come from, previous work, unemployment records—then comparing them with those who remain unemployed in that rural area. A few studies I have seen and a couple done some time ago indicate that new plants do very little for rural unemployed in depressed areas. If they are high paying plants, they pull in workers from considerable distances. These studies have included commuting patterns, migration patterns, and many other things. Can you tell me about any other studies?

Lynn Daft

I can't tell you much, but Glenn might be able to. We did the work for O.E.O., but it was before Glenn arrived. We have found a lot of situations in which after you introduce a plant, a lot of people commute or change their residences and move in. You don't affect the unemployed, and affect the underemployed only a little. In these situations, plants were introduced in very depressed low income areas. One was on an Indian reservation, I believe in Arizona, and they were located in very depressed areas. You find significant improvements in income among the population, but, for example, about a third of those who went to work in these new plants experienced a decline in income. These were primarily people residing there, not new residents. That was a complete mystery, although I have seen evidence more recently that supervision in these plants, particularly when you are talking about minority groups, Indians (one of them was in the Delta), repels a lot of employees and they are willing to leave jobs because of that and take on a lower paying employment. We are going to print that and it will be available.

Bernard Hoffnar

One of the things I noticed was that there was no information on why the plant located there. It isn't a plant location study, it was a plant locater and a study of the effect it had. That is really unfortunate. That is one question we had about the work you did. There were two other conclusions; one is that practically all the new employees in the firms were paid below the poverty level. Nearly everyone was still in poverty as a result of the plant moving in. The second conclusion was that they were utilizing Department of Labor training programs to subsidize a substantial turnover every six months. No one ever completed training, but there was always a subsidy being paid to the plant by the Department of Labor.

Jerry Somers

There seems to be a connection between this plant in a low income area and the local unemployed who experienced a further reduction in income. Only when a new plant pays sufficiently low wages do the local unemployed move in. Long distance commuters aren't interested and out-migrants won't come back. In other words, to really help the local unemployed, you have to have miserable jobs.

Howard Dellon

That is not the view of yesterday's speakers. The expectation is that, by providing good job employment in the plant, you upgrade the people who take the lower paying jobs the other people moved out of. I don't argue for it, but that is apparently the industry view.

Louis Levine

You brought up the subject of the farm worker's education. Why not the age factor? I am very much troubled about the out-migration of the residual left in the area. I suspect that if industry looked at that, they would be more worried about the age characteristic than they are about education.

Jim Booth

It bothers me that if you already account for education, how can we suddenly justify a lower earnings pattern?

Lynn Daft

That is a question of methodology.

Ray Marshall

It depends on how you define underemployed. If you use the normal labor force participation rate, they are different by race. If you want a formula which gets at labor force participation to determine underemployment in terms of the people normally participating in the work force, that would help enormously.

Jim Booth

I understand that the correction was for lower earnings Black people would make.

Myrtle Reul

I'm considering all these points in relation to conditions in our own State of Georgia. In some of the counties where I have been working for the last four years, we have been surveying, talking with industry and business, and trying to see it from all sides. The greatest problem in many of our counties has to do with the person who five or ten years ago might have been employed in the cotton fields. Cotton is no longer being raised or is being handled in a different way. In a survey this fall, we identified 400 families where there was no employment: families with people who very much want a job. And in more than 1/4 of them were women in the 52-59 age group who fell between everything and nothing. They are not eligible for welfare, they are not eligible for anything. We have families who are hungry, being cared for by neighbors and churches with baskets. Families who are living out of garbage cans because there is nothing else available. In talking recently with one of the companies that has been interested in coming in, we find that geographically we have many things to offer. But when you begin talking about the market, that is, prospective employees, they raise questions. They say "no" on the women. It would be fine if they were 35, in fact, we could use them they say. They could fold shirts, etc. But not 56-57, no thank you. Insurance, retirement, fringe benefits, and everything else is considered. If a woman were 35, she could get all kinds of work, but at 57 she can't even get a job as a domestic, especially if she has any slight disorder, which she may well have at that age. Coming from the southeast, our biggest problem right now is primarily the Blacks, but more white families would fall in to this category than anyone would ever believe. They cannot be employed anywhere and are not necessarily being counted anywhere. One more point. Many of these people are getting a terrible deal in terms of rent, but for them it is quite reasonable. If they take a job off the man's farm, where they may now be paying an ungodly rent for what they are getting, they will not have a place to live. So when you talk with them about considering a job in industry, they are afraid, because as they measure it up, they will lose a great deal. And they would lose a great deal if they look at what they see as fringe benefits. They can't see the gains five years down the road. I talked to any number who say "I can't even take a part-time job, because the man, is standing with his foot on my back and won't let me." We also have another kind of problem. That is the continued control by those people who have, in the past, been the major spokesmen. This is very, very real. In one community, a very wealthy family who in the past had provided all the employment, is now subtly discouraging new industry. They own the land and are making it terribly expensive and unattractive for new plants to come in, even though they have millions of dollars. Intellectually they say, come, we want things for our community. But actually they don't. If someone else comes in, these people lose power. The mayor quite often owns all the businesses and no one competes with him in running for his office. We have this kind of control in these small communities and counties, which makes it even more imperative that we try to look at poverty in ways different than we have in the past.

RURAL LABOR MARKETS AND POVERTY

James T. Bonnen
Michigan State University

Rural incomes average well below central city incomes. Thirty-five percent of the U.S. population resides in rural areas, but 48 percent of the poor live there.[1] Available measures of rural health, housing, education, manpower training, and vocational education suggest that rural society somehow has become the "caboose" of the affluent society. With some few exceptions, the social performance of rural society is even poorer than that of the central city. Why should this be?

I submit that there is what amounts almost to a social conspiracy against rural people.

The historically earliest factor is the 19th century agrarian value system that has long dominated the outlook of rural life. These values include the *enterprise creed* and the *work ethic* which lead rural people to believe that:[2]

(1) An individual deserves from society only what he or she can earn from the market. Thus rural people themselves tend to resist the growth of the public sector and the public provision of services which are increasingly necessary in an industrial society of great specialization and interdependence.

(2) An individual who accepts the public social services beyond fire, police, and education is demonstrating a flaw in character.

(3) An individual is solely responsible for his own success or failure in life. This is a rugged individualism in which no pity is wasted on failures, since the virtuous before God always succeed in direct proportion to their virtue. Failure is a social indicator of the lack of virtue.

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[1] *In this presentation all data and the terms rural and urban refer to the statistical distinction between metropolitan and nonmetropolitan. A metropolitan area is defined as a Standard Metropolitan Statistical Area--a county containing a city (or two adjacent cities) of 50,000 or more.*

[2] *For a discussion of the enterprise creed and work ethic, see John M. Brewster, "The Import of Technical Advance and Migration on Agricultural Society and Policy," Journal of Farm Economics, Vol. 44, No. 5, December, 1962.*

(4) The capstone of the old 19th century agrarian value system is a rural fundamentalism. This is a belief that rural society, its culture, its values, and its virtues, is intrinsically superior to urban life and should be the mold in which all society is cast and the measure against which all social decisions are made.

These values have eroded greatly. Eventually they will only be part of our history. Since the modern industrialization of this nation began in the mid-19th century, this value system has blinded rural society to many of its own weaknesses and to the nature of the evolving new industrial and urban age. It has grossly distorted our social and economic decision-making processes. Thus, rural society has easily been led to social decisions that have injured the social and economic interests of rural people.

A second major factor in the discrimination against rural people is the narrow economic elite that has dominated rural leadership. The county court house historically has been run by economic royalists who use the public decision process to further their own interests. As a consequence, rural political power has been used in ways that have prevented most rural people from sharing in the social and economic gains of the society. For example, when the social legislation of the 1930s and 1940s was being enacted, agricultural and forestry employment were exempt from coverage. This isolated a high percentage of rural workers and let rural employment become a dumping ground for large numbers of unskilled and low productivity human beings.

A third factor is simply the process of economic growth itself. In its early stages economic growth requires that the market system work to transfer resources from rural society to be used for industrial investment and labor. Then decades after the initial purpose ceases to be critical to future growth, and rural society is no longer the major source of urban and industrial growth, there is left behind a fabric of markets and institutions which are weighted toward serving the growth of the metropolitan rather than rural society.

A fourth element in the discrimination against rural people, and of increasing importance in the failure of rural economic growth, is the fact that rural communities do not receive a proportionate share of the benefits of federal policies and programs. National programs with few exceptions simply discriminate against people in rural areas in both program design and implementation just as they often discriminate against central cities, against minorities, and others who are effectively outside the political or economic system.

Why should such discrimination occur? Frequently, it happens because we use inadequate criteria to measure program performance. Typically production-oriented short-run efficiency criteria are used; program administrators are expected by their appropriations committee to maximize output (usually people served) from a given level of expenditure. This is achieved by working with those clientele whose human capacity and resources (marginal productivity) are greatest and in those environments where one finds the largest numbers of potential clientele concentrated—i.e., the higher income populations of metropolitan areas. Thus, the people most in need of a program, wherever they are, and those living in less populated areas tend to be the last served, if they are served at all.

The other influence which leads to this discrimination is the inherently limited capacity of small rural communities to do the planning, information gathering, and project proposal development necessary to gain access to federal programs. If this kind of supportive input is not provided, rural communities will never be able to compete in the great cafeteria of federal programs.

Examples of this can be readily cited. The Emergency Employment Act allocates funds according to unemployment levels. There are no statistical measurements of rural unemployment so administrators have to make up numbers for rural counties. The result is that allocations to rural counties almost certainly are less than their true share based upon relative need. Most rural counties do not have any Employment Service office; thus rural people have no system to inform them of the availability of either local jobs or work outside the area. A Department of Labor issue paper concluded that rural areas containing 22 percent of the U.S. population received only 6.9 percent of all labor and manpower outlays in 1969.[3] Federal human resource program expenditures in rural areas fell well short of being proportional to population in health facilities and construction, health services and care, and to families with dependent children, and in vocational education and manpower training,[4] to name only a few. The problem is endemic with many examples in all program areas. *Rural people and communities urgently need better delivery of present national program services in rural areas.*

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[3] *U.S. Department of Labor, "Rural Manpower" Issue Paper No. 5.*

There is a final factor which is of increasing importance in discrimination against rural people. It is almost cosmic irony that just as rural fundamentalism is clearly losing its influence outside rural life, an urban fundamentalism of equal irrationality and virulence has risen to replace it. It now infests the seats of power like rural fundamentalism before it, disordering and distorting private, political, and bureaucratic decision-making processes. By urban fundamentalism, I understand a closed attitude of mind which asserts that urban society, its culture, and its values is intrinsically superior and should be the dominant mold in which all society is cast and the measure against which all social decisions are made. This disdain of everything outside of metropolitan urban culture, like its mirror image, rural fundamentalism, is predicated on a contemptuous ignorance--a disdain for and a fear of what is not understood or not experienced. Urban fundamentalism is the result of the increasing incidence of an exclusively urban cultural experience reinforced by decades of urban intellectual and political frustration with the political and cultural imperialism of the economic royalists who have led rural society.

If something is not done and done soon about the discrimination against *people* in rural life, rural areas are destined to remain forever an economic and social wasteland for the many millions of people who live there. Some people suffer under the illusion that these problems will resolve themselves eventually as a result of rural-urban migration. Farm population has indeed declined, but the total number of people living in rural society has remained at about the same level for over 50 years.

Where do we go from here? In the past, much of the effort to expand rural employment opportunities focused on the upgrading of physical facilities in rural communities to make them attractive to industry. In the process, the development of human resources has generally been overlooked as an even more fundamental need in improving the economic opportunities of rural life. Rural people have been consistently shortchanged in terms of educational opportunities, manpower training, and other investments in human resources.

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[4] *Locational Analysis of Federal Expenditures in Fiscal Year 1969*, Evaluation Division, Office of Management and Budget, Executive Office of the President, Washington, D.C., September 1, 1970.

Even when new job opportunities are created in rural communities, many of the best jobs go to people from outside because local people lack the necessary skills. Those hired from within the community tend to be skimmed from the best of the local labor force. There rarely is any attempt to hire from the local low income population which is always constituted of poorer human resources requiring greater initial supervision and training. This is rational behavior for the most part for a firm trying to minimize its labor costs. Public policy must act to compensate for this behavior if rural communities and the rural poor are ever to share equitably in the benefits of society.

Rural Development

It has long been argued that rural life is so distinct from urban that completely separate rural policy and action agencies are needed for economic development and other purposes. This may have been true enough a century ago, but it is nonsense today. We are now an urban industrial society. The revolution in transportation and communication of the past 50 years has created a reasonably common set of urban-industrial values in all groups, rural and urban, who are a successful part of the economic and political system. Those left behind by development are trapped in 19th century values, social systems, and technologies. Technological change has led to extreme economic specialization and the creation of large-scale specialized organizations to execute society's functions. It has led also to a great interdependence in all sectors of the economy and to an increasing dependence on public sector services and decisions. The coordination of these specialized public and private functions is increasingly the key to successful regional and local growth. The conclusion is clear. *We need an integrated national growth policy and action agency structure to implement that policy.*

It is equally clear from the failure of national programs to reach rural areas effectively that such a developmental system must be organized to contain a conscious and responsible focus on the processes that serve non-metropolitan area growth. Conscious attention must be given to the capacity of this system for adaptation of policy and action to localized needs and conditions which vary, not only between rural and urban, but just as greatly between various metropolitan areas and between the different rural areas of the U.S. These characteristics are lacking in the present efforts which tend to be piecemeal, uncoordinated, and not focused at any level of government.

Every community has need of the full range of inputs around which human welfare is defined. Thus, effective, locally articulated, national policies and programs are needed in education, health, housing, transportation, income support, and social services for the low income and handicapped, specialized programs to bring the politically and economically dispossessed into the social and economic system, and employment policies, manpower training, and mobility assistance to aid low productivity workers to better employment at decent wages. There are other specific areas one might wish to add.

A major missing factor is a systematic input at all decision levels of adequate program evaluation, planning, data collection, and long-term problem-oriented research which will assist decision-makers and the public in identifying problems, exploring alternatives, establishing performance criteria, and measuring program performance. Too often, policy-makers at the federal, state, and local levels are dependent solely on the general political process for most of these inputs. Inadequate understanding of regional, local, and even national needs results. At the same time the present informational system is so inadequate that local community leaders often can neither identify their own problems adequately, nor are they knowledgeable about needed federal and state programs that are available.

Even many national agencies with major action programs are operating with totally inadequate information and absolutely no research at all for a knowledge base. In many cases, failure is designed right into the program as a consequence of fundamental ignorance about the context in which programs are to be implemented and about the processes involved.

Conclusion

Data and analysis are the life blood of the decision process. The more reliable and complete it is the better usually are the resulting decisions. I was always fascinated during my experience in Washington, D.C. by the manner in which relevant factual information would swamp political and bureaucratic considerations in many major decisions. If you think about it, the reason is clear. Unless it is a particularly difficult political situation, no decision has greater political viability than one which responds logically to the facts in the case. Good data and analysis are vital to good decision-making—in public policy from the most local unit of government to the White House, as well as in private decisions whether in business or in personal life. Improved rural labor market and manpower data will be strategic to the quality of public and private decisions and thus to human welfare in rural life over the next several decades.

Where the design of data systems is concerned, economists and many other specialized professionals are now defaulting on their responsibilities. As economic theory and statistical methods have grown to be a sophisticated body of complex tools, economists have become increasingly isolated from and disinterested in the messy, inelegant but vital problems of forming the data they use. Every economist should read Professor Leontief's indictment of the profession on this score in his Presidential address to the American Economic Association in 1970.[5]

Statisticians and action agency personnel, despite requests for help, are left alone with the responsibility for the design of data and data systems. If concepts they choose to measure are not the ones economists and other professionals need for analysis, we have no one to blame but ourselves.

One of the most urgent needs in the social sciences is for better social statistics—for data systems that measure the various specific dimensions of human welfare in education, housing, health, manpower, etc. The basic problem is conceptual. We need to know what it is that needs measuring and how those concepts can be fitted together systematically. It is a first step but far from adequate to construct various disparate sets of social indicators. Eventually such measures must be combined into a system of social accounts if their full intellectual and policy potential is to be realized. Many extremely difficult problems must be surmounted, but the vision we must hold before ourselves is that of the great social payoff from the system of national income accounts which now sustains public and private economic decision-making. An analogous system of social accounts would be of incalculable value in facing current and future policy issues.

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[5] *"Theoretical Assumptions and Nonobserved Facts,"* *American Economic Review, August, 1971.*

Finally, let me leave you with a charge as professionals who are concerned with the welfare of rural people. Economists, sociologists, and other social scientists, health, housing, manpower and education professionals must work out the conceptual systems before statisticians can do their job adequately.

In addition, those professionals with a concern for the welfare of rural or non-metropolitan residents must participate fully in this job, otherwise rural people will again be shortchanged by a national system of social statistics so focused on metropolitan needs that it cannot measure strategic dimensions of rural problems and leads to inappropriate performance criteria and an inequitable distribution of public program benefits.

The rural manpower professionals have a most important role to play in this task.

SESSION VII

SUMMARY

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RURAL LABOR MARKET INFORMATION: CONFERENCE SUMMARY

Ray Marshall
University of Texas

Dale Hathaway dealt with the definition of "rural," a subject which recurred throughout the conference and was discussed in detail in Conrad Taeuber's paper. Some of the participants, notably Bernard Hoffnar and Varden Fuller, saw little value in distinguishing between rural and urban labor markets, which have become closely interrelated. Hathaway, by contrast, notes the definition problem but goes on to differentiate nonmetropolitan labor markets in terms of socio-political, economic, and human resource characteristics. I find Hathaway's arguments convincing and favor retaining the term rural, even though there are difficulties in giving it a precise meaning. Rural labor markets generally are different from urban labor markets in that they usually have an excess supply, fewer job options for workers, and, therefore, greater difficulties matching workers and jobs. Additionally, rural workers have very limited access to labor market information. Hathaway considers it useless to try to define rural precisely, although I am sure he would agree that standardization of definitions among government agencies would be helpful.

The discussions by Hathaway, Hoffnar, Taeuber, Fuller, Nelson, and Daft all indicate the need for better delineation of labor markets geographically and by functional types. Clearly, the relevant geographic area varies with the occupational group; though as indicated by Norma Ausmus's paper, some people are interested in finding a job within a particular geographic area rather than in a particular occupation. Nevertheless, both occupational and geographic dimensions of a labor market are important and we need further elaboration and quantification of the kind of analysis Hathaway spoke of to compare the characteristics of rural and nonrural labor markets.

The papers at this conference demonstrate the need for labor market concepts and information at a variety of levels. At the macroeconomic level, we need much better information and understanding of the interactions between changes in the general level of economic activity and specific labor markets. The Hoffnar and Daft papers suggest the usefulness of multi-county areas which define local labor markets. The cross elasticity concepts discussed

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by Hoffnar indicate one technique which might be used to measure the interrelationships between labor markets.

Dan Sturt's paper shows the information needs of people interested in rural manpower programs at the national level, namely, to provide equity of access to manpower resources for rural residents, to facilitate on-going program operation, and to support planning strategies to upgrade rural manpower programs. The equity problem is particularly serious because rural workers have manpower needs not being met under present allocation procedures. The paper by James Bonnen demonstrated the nature of the rural manpower problem. Devising measures to identify target populations and specify their needs more precisely should, therefore, receive high priority. Equity also requires better measures of cost of living differentials between areas in order to determine the relative purchasing power of funds paid to rural and urban residents and to calculate the real effects of mobility and relocation programs.

Sturt's equity arguments raise some serious conceptual problems, because it is not easy to determine what proportion of total manpower funds should be allocated to rural areas. Even if we determined the appropriate allocation formula (proportion of the population, proportion of the poor, some combination of these, etc.) we could not be sure that allocations would meet relative needs because program needs in rural areas are different from those in urban areas. Nevertheless, the present inadequate manpower allocations to rural areas, which lack powerful constituents to bring pressure for a larger share of available funds, is a strong argument for allocations on the basis of some formula, even if it is lacking in precision.

Several other important issues recurred throughout the conference. Most of the papers emphasized the inadequacies of the data currently available, especially for specific and localized needs. The paper by Donald Ickstadt was particularly revealing regarding the inadequacies of data to meet local data needs; and the paper by J. D. Little emphasizes the dearth of local rural labor market information. Moreover, a number of discussants emphasized the limitations of available data, either because they are obsolete or were collected for purposes different from those for which they are being used. Conference participants were particularly critical of the "cookbook" approach to generating statistics. These "cookbook" approaches generate statistics for particular areas on the basis of national formulas which may or may not apply. However, the papers by Norma Ausmus, Davis Portner, and Conrad Taeuber show what various federal agencies are doing to improve the availability of manpower information.

The conference discussions also raised some important questions about the extent to which federal agencies should attempt to refine labor market information. Mark Erenburg's paper raises the question of whether government participation in the collection and dissemination of information to the migrant farm labor market should not be completely withdrawn "because of low income levels, migrants do not use nor do they seek sophisticated information." However, it is difficult to believe that migrants would not benefit from better information, whether they seek it or not. As Myrtle Smith's paper on the Mississippi mobility project makes clear, the disadvantaged rarely know what kinds of information they need, so program administrators must determine this for them. But she also indicated that much of the information needed by particular programs must be generated on an ad hoc basis by the programs' staffs or administrators.

Similarly, Jack Thiele emphasizes the fact that much of the information needed by businessmen for plant location purposes is attitudinal and must be collected for particular places where business groups plan to locate. Most of these discussions also indicate that private information sources can be very useful to program administration, as John Teeple's paper shows regarding the information network used by rural school administrators. Moreover, Mark Erenburg's migrant interviewees clearly had more information than they received from government sources. Their experiences in the migrant stream enabled them to know what to expect in different places. Information made available to them might, therefore, have been very important when related to their experiences.

Perhaps the major problems involved in information programs are cost and time. Current and potential data users must weigh the advantages of better data against the costs of acquiring and disseminating them. Data technology should improve the efficiency in collecting and disseminating information, but this is a costly process which will never be able to meet the precise data needs of all potential users. The time problem also will continue to plague us. Collectors and disseminators of information must try to anticipate data needs in order to have information available when it is needed, but they can never do this with precision. It will, therefore, be necessary for us to continue to improvise and "make do" with available information. And as a number of the papers emphasize, it is possible to improve the use and coordination of existing data to more adequately meet rural manpower needs.

In conclusion, this conference makes it clear that considerable data on rural labor markets are available, but many of these lack timeliness and precision for users at every level, particularly local areas and programs. The data must be improved if programs are to be more equitable and effective, but the costs of improvement must be weighed against the benefits derived from improvements. Data users also must be aware of the fact that data will never be as precise and timely as they would like and that we must do the best we can with the information available.

DISCUSSION OF SESSION VII

Davis Portner

Before leaving the Conference, Mr. Rindler has commissioned me to speak on the Public Employment Program primarily because I was responsible initially for the manner in which the Public Employment Program monies were apportioned. He had the feeling many of you thought the monies were not equitably distributed around the United States, and I'd like to dispel that illusion. It was based on unemployment estimates, good or bad. Seventy percent of the $850 million went through Standard Metropolitan Areas, those places with 75,000 and more population. The other 30 percent went to what we call the balance of state, those places with fewer than 75,000 people. A second point is that, as Conrad Taeuber indicated yesterday, about 30 percent of the rural population now lives within the boundaries of Standard Metropolitan Areas. Presumably they were getting some benefit from the 70 percent going to the SMSAs. And in the third place, the wages in those balance-of-state areas in public employment apparently are considerably lower than those being paid in the bigger counties and cities in the SMSAs. As a consequence, the reporting now coming into Washington shows that many more individuals are being employed on public employment jobs under this program than they would have surmised. In essence, the average dollar value per square slot in the balance-of-state is lower, so many more individuals are being employed. Les says he'll try to run an analysis to determine just how inequitable the distribution has been as far as the urban residents are concerned.

Dale Hathaway

Ray has done an excellent job of summarizing. One point you didn't make in your summary, however, which seemed to run through this, is the lack of effective coordination at any level of the available data.

Ray Marshall

That's right. I had that down, but didn't say it.

Dale Hathaway

I was struck by this. As you know, Al Beegle and I spent thousands of dollars to get all the 1960 Census of Population tapes, and as a by-product, we printed out the county level data on age by sex and years of school completed for every county in the United States. The 1964 Civil Rights Act, took away the poll tax for federal elections, and the Department of Justice needed those data to know whether or not they should accept what might be a southern position on the use of an educational break. It turned out that the Census could not reproduce the data in time without spending several hundred thousand dollars for reprogramming, etc. It suddenly occurred to them that we might have printed those out. We had, and it turned out we had the only source in the U.S. from which the Department of Justice could determine the key counties in the South and the effects of various alternatives. There had been no discussion between the Department of Justice and the Census about the need for coordinating data. We gave it to them, and didn't even charge them $5.00. The whole point is that this seems to be a frequent occurrence. People do not feed in coordination of program needs, etc. That's terribly important, don't you agree?

Ray Marshall

I do. We do it partly ourselves. My view is that one reason we haven't had to have more accurate numbers is because we had cookbook planning. Nobody ever really intended to do much about all that. But when the thing gets decentralized and we have to make things more operational at the local levels, we will have to know more about all this. For example, in Texas we'll need to know what effect twin plants have on unemployment along the Mexican border? We don't know that now. We don't know whether the supply effects are greater than demand effects, but we do know this is terribly important for Chicanos because of people coming across the border. But we don't know the impact of different kinds of things. When we start saying let's do something about it, the rural areas are mainly affected. But we don't know what effect a lot of important things are likely to have. Another example concerns the Emergency Employment Act. They didn't have enough information on wage rates to know what effect requiring the minimum wage would have in various local areas in the United States. It turned out that a lot of government units were paying much less than the minimum wage. That being the case, if they're going to participate in the program and raise their total wage bill, the people who need it most might be the ones who wouldn't use it. That kind of information should have been readily available to the Congress, but it wasn't. And partly because we don't know much about local government employment. It's a growth area, heavily concentrated in rural areas in terms of numbers of units, and we know very little about it. We don't know, for example, the extent to which rural nonfarm employment practices racial discrimination, except by casual empiricism. We can see it happening from time to time, but don't really know much beyond this.

Audience Member

I would like to comment on what Dr. Hathaway said. There isn't enough utilization of the information in the Census. In other words, the questions and items the Census asks of the population contain the potential for a lot more information than is utilized. If you rely only on the information the Census Bureau puts out, you're missing a lot. A lot of this information can be found in some places you would not normally look such as tables done at the University or even state level. Sometimes state agencies print out tables just to be printing them out because they have the information. This year, especially with the large scale distribution of the Census tapes, you'll find a lot of individualized programs and studies on Census data. You won't have to pay the Census Bureau $25,000 to get the information. If anything, you might have only the cost of a graduate assistant and some computer time. I would really like to see a lot more of the available information used.

Ray Marshall

I agree. Another good source of data we didn't mention concerning racial breakdowns in rural areas is the Employment Opportunity Commission's EEO-1 form which all employers are required to fill out if they have 25 employees or more. We found that to be a very valuable source of information because it's a head count, not a sample. And we found that sometimes there is a 400 percent differential between what we get and what BLS reports for employment in that category. We've had to do a lot of running around at the local level to reconcile those. Sometimes it's an error and sometimes it's incorrectly reported. There is no substitute for going out and checking with people when the data look suspicious and show irregularities.

Jerry Somers

I think we have to utilize more effectively the data we have and consider the costs and benefits of any additional data. I'm going to put you on the spot as the Conference summarizer and ask just what the priorities for additional data are? Let's apply your cost-benefit analysis. If we gave you $100 thousand for additional data, what would you spend it on?

Ray Marshall

My priorities would be different than yours. I think we know too little about the South and probably think we know too much about the South. One of the first things I'd want information on is the impact of industry on the disadvantaged in rural areas, by race. I would want an ethnic breakdown. And I'd like to go beyond the immediate impact. I'd like to test the businessman's assumption and Little's assumption that there was an upgrading process going on. Does that differ in different places? I'd like to know more about the characteristics of all these people in the rural areas. But I won't know that from the Census data, because it is still a residual. I won't know how accurate that is. We need field work in order to update it. In the process, I'd like to know more about the probable impact of something like F.A.P.—the income maintenance area. It's also crucial that we know more than we do about the cost of living. That may be a dead end but I'm impressed with the work Harold Watts has done at the Poverty Institute at Wisconsin. Some people aren't, but to me the basic ideas involved seem to need refining and we should pursue it in greater detail to ask ourselves what do necessities cost as you move in different places. In that way we could get some idea about real costs of living. For those in rural areas, I'd like to make some projections by crops on displacements. I'd like the probable displacement of people in those areas. Some of these we're trying to find out now, but I'm not going to be satisfied with the study. We're trying to test the question concerning whether manufacturing employment is growing faster in rural areas than in metropolitan areas, or in nonmetropolitan than in metropolitan areas. Is it because those farms are locating on the fringes of an SMSA, or are they really locating out in the boondocks. If we could come up with an original term to substitute for rural, it would be boondocks. I like the multiple county idea. We need to pay more attention to functional labor markets, as well as geographic labor markets. Everybody in a labor market is not competing with everybody else in that labor market; there are different kinds of labor markets in any given place. There are similarities between a rural labor market and a ghetto labor market: they tend to have what I call an irregular employment and labor market, legal and illegal. The classification I've found useful is to start off with professional technical labor markets, and then talk about the main stream, the technologically advanced labor market with its high ratio of capital costs to labor costs, not much competition, fair amount of rivalry, high wages, strong unions. Here you have no competition, no product and it's a very high income elasticity of demand; very difficult to measure what they do. We could absorb all the increase in their G.N.P. without an increase in output. And we don't believe in competition. We make all kinds of tenure rules about this and that. Beneath them is marginal industry which has the opposite marginal labor markets with opposite characteristics: a high ratio of labor costs to total costs, weak union, low wages, high concentration. This is where the working poor are. It has a high proportion of minority groups, women, and therefore, is a very important area to look if you want to find out what kinds of things you can do on the job to upgrade people. Beneath that is the submarginal. I found it useful to divide that into the legal, with irregular employment as the overriding characteristic, very low wages, no attachment to any particular employee, such as agricultural workers; and the illegal which, of course, involves a lot of people. One of the problems in breaking down the service sector is that the service category includes these illegals, too. I don't know how many people are in this category, but there are an awful lot. It seems to me that the significance of putting together something like this is that we can start comparing the rural-urban labor markets. You won't find many of these professional-technicals in the rural labor markets at all. We don't find many of these illegal service people in a rural labor market at all. We can break down each of these categories and then each one of those has its own characteristics. The important thing about economic policy is to be able to say what effect monetary and fiscal policy have on unemployment in, for instance, the legal part of the submarginal labor market. It's likely to generate inflation in one, but not have much impact on another. In fact, I think, I can demonstrate that monetary fiscal policy will generate unemployment in a certain kind of labor market, when you try to tighten it up. We need to know more about the interactions of those labor markets. To go back to the question, we need to build it up functionally, rather than geographically, because the geographic scope is different. We need to know the geography but if that's all we know, we won't know as much as we need to about labor markets.

Audience Member

Where in your line of priorities do you put the kind of data needs Don Ickstadt mentioned? He really told it like it is concerning the kind of people who come to him. He's very much geographically oriented, and his people are very much geographically oriented.

Ray Marshall

The problem occurs, however, when you ask people what kind of jobs are going to be available. How geographically you're oriented depends upon what kinds of labor markets you're talking about. If somebody is in a rural area and wants to be a professor of economics, I say, forget it. He's not going to do it. That's a wide extreme, but some labor markets are international in geographic scope. Others tend to be fairly narrow. If you're going to be an electrician, you can do it within a local area. Even within a construction trade, such as for an operating engineer the market covers a much broader spectrum than an electrician's labor market. This could be a function of the number of people in the market. Somebody ought to make all the sources readily available to local Employment Services that get questions like that. The only way they can answer some of these questions is to make a detailed survey. A local Employment Service person can organize a volunteer data collection procedure and try to gather this information. You would have all kinds of problems with reliability, but there are ways to check that. What I do in interviewing is try to get the same information from a number of different sources, and then put it together, even though some of the questions asked can't be answered. It would be a mistake to just pinpoint jobs for the Employment Service and counselors in a local county or a group of counties. They have to be concerned about the whole spectrum. For some purposes we need national projections, for others we need regional projections, and for others we need to know more about local areas.

Bob Hunter

This gets back to the unit size. Inasmuch as some kinds of revenue sharing appear to be on the way, and it seems to be based on some kind of planning with planning districts, the obvious operational unit at some time in the future is going to be multi-county planning units. Is that what you're trying to say?

Ray Marshall

That's right. In fact, I think that makes some sense because what you can do (as Niles Hansen has done) is use factor analysis to determine what the particular group of counties ought to be. Not what it ought to be, but what it is. You can get certain kinds of homogeneous labor market areas rationally. I understand that must have been essentially the same kind of thing Karl Fox did in Iowa. I intend to look at that but I think we need to do some of that kind of thing in other places. I'm not as sold on the growth center idea because I don't know of any success stories. It makes sense, but I don't know of anywhere in the world where it's worked. Until I see some success stories, I think we have to keep testing and probing. It still makes a lot of sense to relocate the younger, better educated people, but we need to know much more about whether or not they would have moved anyway. Did we really just affect the timing and destination of the move, or did we really affect the people who were going to move? It's not unimportant to affect the timing and destination, but we need to know more than we do about whether they are really better off economically. Then we can worry about the other terms. However, I'm not sure anybody is better off, even the younger, better educated, until after five years.

APPENDIX A

CONFERENCE ON LABOR MARKET INFORMATION IN RURAL AREAS

8:00 a.m.	**Registration at the Conference Desk of Kellogg Center**

THE CONFERENCE PROGRAM

TUESDAY, FEBRUARY 22, 1972

PART I - DEMANDERS OF INFORMATION ON RURAL LABOR MARKETS

	Session I - Data Needs for Manpower Planning and Policy-Making by Public Officials for Rural Areas
	Moderator: *Collette Moser*, **Department of Agricultural Economics, Michigan State University**
8:30- 8:45 a.m.	*Dale Hathaway*, **Chairman, Department of Agricultural Economics, Michigan State University, "Some Special Characteristics of Rural Areas"**
8:45- 9:15 a.m.	*Daniel Sturt*, **Director, Rural Manpower Service, U.S. Department of Labor, "The Need for Rural Labor Market Information at the National Level"**
9:15-10:00 a.m.	**Panel Presentation by Employment Service Officials at the Regional, State, and Local Levels**
	Joseph Kasper, **Rural Manpower Service, Region V, U.S. Department of Labor, Chicago, Illinois, "Needs for Rural Labor Market Information at the Regional Level"**
	Donald Ickstadt, **Wisconsin State Employment Service, Eau Claire, Wisconsin, "Needs for Rural Labor Market Information at the Local Level"**
10:00-10:30 a.m.	**Discussion of Session I**
10:30-11:00 a.m.	**Coffee and Donuts**
	Session II - Employer's Needs for Labor Market Information in Order to Locate and Operate in Rural Areas
	Moderator: *Robert Hunter*, **Department of Sociology, University of Colorado**
11:00-11:30 a.m.	*J. D. Little*, **Harper, Cotton and Little, Inc., Charlotte, North Carolina, "Employers' Needs for Labor Market Information in Order to Locate and Operate in Rural Areas"**
11:30-12:00 p.m.	*Jack Thiele*, **Director, Industrial and Community Relations, Whirlpool Corporation, Fort Smith, Arkansas, "An Employer Views Rural Labor Markets"**
12:00-12:30 p.m.	**Discussion of Session II**
12:30- 1:30 p.m.	**Lunch in Red Cedar Room at Kellogg Center**

Session III - Labor Market Information Needs of Current and Potential Job Seekers in Rural Areas

Moderator: *Myrtle Reul*, Department of Social Work, University of Georgia

1:30- 1:45 p.m.	*John Teeple*, National Planning Association, Washington, D.C., "Labor Market Requirements and Information for Vocational Education and Career Planning in Rural Areas"
1:45- 2:00 p.m.	*Norma Ausmus*, Division of Labor Market Information, Office of Technical Support, U.S. Department of Labor, "Labor Market Information Needs of Rural Labor Force Participants"
2:00- 2:15 p.m.	*Myrtle Smith*, Department Director and Project Coordinator, STAR Mobility Project, Hattiesburg, Mississippi, "Labor Market Information Needs for Migrants and Potential Migrants"
2:15- 2:30 p.m.	*Mark Erenburg*, Department of Economics, Sangamon State University, "Labor Market Information Dissemination and Decision-Making Among Chicano Migrants"
2:30- 3:00 p.m.	Discussion of Session III
3:00- 3:30 p.m.	Coffee

PART II - SUPPLIERS OF RURAL LABOR MARKET INFORMATION

Session IV - The Census Bureau as a Supplier of Information on Rural Labor Markets

Moderator: *Gerald Somers*, Department of Economics, University of Wisconsin

3:30- 4:00 p.m.	*Conrad Taeuber*, Associate Director, U.S. Bureau of the Census, "Manpower Data for the Rural Population"
	Commentators:
4:00- 4:15 p.m.	*Bernard Hoffnar*, Evaluation Division, Office of Economic Opportunity, "Comments on Census Data for Rural Labor Market Analysis"
4:15- 4:30 p.m.	*James Sweet*, Department of Sociology, University of Wisconsin, "Comments on Census Data for Rural Labor Market Analysis"
4:30- 5:00 p.m.	Discussion of Session IV
5:15 p.m.	Chartered University Bus will provide transportation to the University (Faculty) Club
5:30- 7:00 p.m.	Social Hour at University (Faculty) Club
7:00- 8:30 p.m.	Dinner at University (Faculty) Club
9:30 p.m.	Chartered University Bus will provide transportation to the Kellogg Center

WEDNESDAY, FEBRUARY 23, 1972

	Session V - The U.S. Department of Labor as a Supplier of Information on Rural Labor Markets
	Moderator: *Michael Borus*, School of Labor and Industrial Relations, Michigan State University
8:30- 9:00 a.m.	*Davis Portner*, Director, Office of Planning and Evaluation, U.S. Department of Labor, "Department of Labor Information on Rural Labor Markets"
	Commentators:
9:00- 9:15 a.m.	*Louis Levine*, School of Governmental Studies, George Washington University, "Comments on Department of Labor Information on Rural Labor Markets"
9:15- 9:30 a.m.	*Varden Fuller*, Department of Agricultural Economics, University of California, Davis, "Comments on Department of Labor Information on Rural Labor Markets"
9:30-10:00 a.m.	Discussion of Session V
10:00-10:30 a.m.	Coffee and Donuts
	Session VI - The U.S. Department of Agriculture as a Source of Rural Labor Market Information
	Moderator: *Varden Fuller*, Department of Agricultural Economics, University of California, Davis
10:30-11:00 a.m.	*Lynn Daft*, Assistant Deputy Administrator, Economic Research Service, U.S. Department of Agriculture, "Use of Department of Agriculture Data for Analysis of Rural Labor Markets"
	Commentators:
11:00-11:15 a.m.	*Glenn Nelson*, Research Division, Office of Economic Opportunity, "Comments on Use of Department of Agriculture Data for Analysis of Rural Labor Markets"
11:15-11:30 a.m.	*Jim Holt*, Department of Agricultural Economics, Pennsylvania State University, "Comments on Use of Department of Agriculture Data for Analysis of Rural Labor Markets"
11:30-12:00 p.m.	Discussion of Session VI
12:15- 1:30 p.m.	Lunch in Red Cedar Room at Kellogg Center
	Moderator: *Dale Hathaway*, Chairman, Department of Agricultural Economics, Michigan State University
	Speaker: *James Bonnen*, Department of Agricultural Economics, Michigan State University, and member of the President's National Advisory Commission on Rural Poverty, "Rural Labor Markets and Poverty"

Session VII - Summary

Moderator: *Collette Moser*, Department of Agricultural Economics, Michigan State University

1:45- 2:15 p.m.	*Ray Marshall*, Department of Economics, University of Texas, "Rural Labor Market Information: Conference Summary"
2:15- 3:00 p.m.	Discussion of Session VII

APPENDIX B

CONFERENCE PARTICIPANTS

Ausmus, Norma, Division of Labor Market Information, Office of Technical Support, U.S. Department of Labor.

Beegle, J. Allan, Department of Sociology, Michigan State University.

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